	Notice of Request for Proposal		AHCCCS Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
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Solicitation Contact Person:

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Issue Date: July 9, 2007

LOCATION: **ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION (AHCCCS)**
Contracts and Purchasing Section (First Floor)
701 E. Jefferson, MD5700
Phoenix, Arizona 85034

DESCRIPTION: Request for Proposal for a Claims System

PROPOSAL DUE DATE: SEPTEMBER 11, 2007 **AT 3:00 P.M. MST**

Pre-Proposal Conference:

1:00 PM – 4:00 PM August 9, 2007

Gold Room, 3rd floor, AHCCCS
701 East Jefferson, Phoenix, AZ 85034

**QUESTIONS CONCERNING THIS SOLICITATION SHALL BE
SUBMITTED TO THE SOLICITATION CONTACT PERSON NAMED
ABOVE, IN WRITING EITHER VIA TELEFAX OR E-MAIL
(PREFERRED) by AUGUST 29, 2007**


In accordance with A.R.S. § 41-2534, which is incorporated herein by reference, competitive sealed proposals will be received at the above specified location, until the time and date cited. Proposals received by the correct time and date will be opened and the name of each offeror will be publicly read.

Proposals must be in the actual possession of AHCCCS on or prior to the time and date and at the location indicated above. **Late proposals shall not be considered.**

Proposals must be submitted in a sealed envelope or package with the Solicitation Number and the offeror's name and address clearly indicated on the envelope or package. All proposals must be completed in ink or typewritten. Additional instructions for preparing a proposal are included in this solicitation document.


Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the appropriate Procurement Agency. Requests should be made as early as possible to allow time to arrange the accommodation. A person requiring special accommodations may contact the solicitation contact person responsible for this procurement as identified above.

OFFERORS ARE STRONGLY ENCOURAGED TO CAREFULLY READ THE ENTIRE SOLICITATION.

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End of Solicitation

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OFFER

The undersigned Offeror hereby agrees to provide all services in accordance with the terms and requirements stated herein, including all exhibits, amendments, and final proposal revisions (if any). Signature also acknowledges receipt of all pages indicated in the Table of Contents.

Arizona Transaction (Sales) Privilege Tax License No.:

For clarification of this offer, contact:

Federal Employer Identification No.:

Name: _____

Phone: _____

E-Mail Address: _____

Fax: _____

Company Name

Signature of Person Authorized to Sign Offer

Address

Printed Name

City State Zip

Title

CERTIFICATION

By signature in the Offer section above, the bidder certifies:

1. The submission of the offer did not involve collusion or other anti-competitive practices.
2. The bidder shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, State Executive Order 99-4 or A.R.S. §§ 41-1461 through 1465.
3. The bidder has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer. Failure to provide a valid signature affirming the stipulations required by this clause shall result in rejection of the offer. Signing the offer with a false statement shall void the offer, any resulting contract and may be subject to legal remedies provided by law.
4. **The bidder certifies that the above referenced organization ___ is/___ is not a small business with less than 100 employees or has gross revenues of \$4 million or less.**

ACCEPTANCE OF OFFER (to be completed by AHCCCS)


Your offer, including all exhibits, amendments and final proposal revisions (if any), contained herein, is accepted.

The Contractor is now bound to provide all services listed by the attached contract and based upon the solicitation, including all terms, conditions, specifications, amendments, etc., and the Contractor's Offer as accepted by AHCCCS.

This contract shall henceforth be referred to as Contract No. _____.

Awarded this _____ day of _____ 20____

Michael Veit, as AHCCCS Contracting Officer and not personally

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2. Scope of Work

2.1 PURPOSE/SCOPE OF SERVICES/GOALS AND OBJECTIVES

2.1.1 Introduction

The Arizona Health Care Cost Containment System Administration (referred to as AHCCCS) is the single state agency responsible for the Medicaid program in Arizona. From the outset, Arizona's Medicaid program has been delivered primarily as a managed care program with a relatively small residual, fee-for-service component. Initially, the Medicaid program covered only acute care services. AHCCCS later expanded the program to cover long term care services under ALTCS, the Arizona Long Term Care System, again through a fully capitated managed care delivery system. Over the years, AHCCCS has assumed responsibility for additional health care programs within the state including KidsCare, the state's SCHIP program. AHCCCS also manages the Healthcare Group of Arizona (HCGA) which was created by the Legislature to provide health care coverage to small employers. AHCCCS now performs claims administration for the Arizona Department of Corrections (ADC) and the Tribal Regional Behavioral Health Agencies (TRBHAs) and anticipates expanding its role as the state's claims administrator for other similar programs within the state.


AHCCCS implemented and operates Medicaid Management Information System (MMIS) which is called the Prepaid Medical Management Information System (PMMIS) to support the administration's operations including its fee-for-service claims processing. While this system has served AHCCCS well over the years, it is the administration's intent to selectively replace and/or reengineer all or most of the existing PMMIS. To this end, AHCCCS is soliciting proposals in this procurement for a replacement claims processing system.

2.1.2 Purpose/Scope of Services

The purpose of this solicitation is to procure a claims processing system that will replace the current fee-for-service claims processing subsystem that is part of PMMIS. AHCCCS is seeking a "packaged" system with the flexibility and sophistication to support AHCCCS' requirements with a minimum of changes/enhancements and which will provide a solid platform/base to support AHCCCS' future directions and requirements. The claims processing system must include components (SOW 2.4.1 through 2.4.6) to maintain member, provider, benefit, and other reference information as well as capture, edit, and adjudicate claims based on this information. The claims processing system must also support all of AHCCCS' current fee-for-service business as well as allow AHCCCS to add on future fee-for-service claims processing including the processing for the Healthcare Group of Arizona and for the Hawaii MEDQUEST program.

AHCCCS is also requiring that bidders include Premium billing (SOW 2.4.7) as a service in its proposal. However, Premium Billing must be priced separately from the proposal for the services required above (SOW 2.4.1 through 2.4.6), as if it were an add-on service.

AHCCCS is also requesting that bidders consider submitting bids priced separately from the proposal for the services required above (SOW 2.4.1 through 2.4.6), as if they were an add-on services. Some optional components are as follows:

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- ☐ Financial –generate checks, process EFT, reconcile bank accounts, generate W2s/1099s, maintain and process account receivables, etc. (SOW 2.4.8)
- ☐ Encounters – capture, edit, and process encounters (SOW 2.4.9)

Ability to provide optional services will be considered in the evaluation, although lack of them will not cause the offeror to be deemed not responsible.

Finally, AHCCCS is requesting bidders to consider submitting bids for operating/“hosting” the system. Note that, as a minimum, bidders are required to submit bids for modifying/enhancing the software to meet AHCCCS requirements, maintaining the product, and then licensing the product for AHCCCS to operate.

2.1.3 Goals and Objectives

Consistent with AHCCCS’ five-year strategic plan, AHCCCS has identified the following goals and objectives specific to the acquisition of a replacement for the current PMMIS claims processing subsystem as follows:


- ☐ Simplify program administration by providing a flexible, user-configurable system that meets AHCCCS’ business needs
- ☐ Support improvement of health care access and delivery to members by promoting provider participation, improving access and sharing of information, and streamlining the member/provider interfaces
- ☐ Support all current and future claims administration functions efficiently and economically
- ☐ Provide means to more effectively manage and operate programs
- ☐ Incorporate maximum use of the Internet and e-Commerce
- ☐ Comply with all HIPAA requirements
- ☐ Address MITA goals and objectives
- ☐ Use open and flexible systems technologies
- ☐ Provide technology refresh and ongoing upgrades
- ☐ Provide platform for future development and enhancement including interfaces with other PMMIS components when they are replaced and/or re-engineered
- ☐ Provide ongoing, responsive support to programmatic and industry changes
- ☐ Support goals of personal financial responsibility through cost-sharing, as mandated by legislation and supported by the Federal Deficit Reduction Act of 2005.
- ☐ Obtain services within budgetary limitations.

2.2 BACKGROUND

2.2.1 Agency Overview

The Arizona Health Care Cost Containment System (AHCCCS) is Arizona’s Medicaid program. It is designed to deliver comprehensive quality healthcare using cutting-edge concepts of managed care. Currently, AHCCCS covers over one million members in a manner which provides AHCCCS members:

- ☐ Choice
- ☐ Dignity

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- ☐ Independence
- ☐ Individuality
- ☐ Privacy
- ☐ Self-determination

Since 1982, AHCCCS has operated under an 1115 Research and Demonstration Waiver granted by the United States Department of Health and Human Services. AHCCCS contracts with health plans and other program contractors, paying them a monthly capitation amount prospectively for each enrolled member. The plan or contractor is then “at risk” to deliver the necessary services within that amount and is responsible for paying claims on behalf of their enrolled members. Health plans and program contractors submit encounter records to AHCCCS detailing the claims that they have paid. AHCCCS uses encounter data in capitation rate setting and in critical financial and utilization reports. AHCCCS reinsures the health plans and program contractors for high-cost cases.

For services rendered to recipients eligible for AHCCCS or the Arizona Long Term Care System (ALTCs) but not enrolled with a contractor or otherwise covered, AHCCCS reimburses providers on a fee-for-service (FFS) basis. The FFS population essentially consists of three groups:


- ☐ Recipients in the Federal Emergency Services (FES) program
- ☐ Recipients enrolled in Indian Health Services (IHS)
- ☐ On-reservation Native Americans enrolled with a tribal contractor

There are also a relatively small number of non-Native American recipients who, because of various reasons, will remain in permanent fee-for-service status. AHCCCS also processes claims for other programs including Medicaid in Public Schools (MIPS). Additionally, AHCCCS contracts with RxAmerica to provide point of service pharmacy benefits to the fee-for-service population and AHCCCS reimburses RxAmerica based on the electronic claims that they submit.

Eligibility for services is not determined by AHCCCS alone, but by various agencies, depending on the category of eligibility. For example, pregnant women, families, and children generally enter AHCCCS by way of the state’s Department of Economic Security, whereas the blind, aged, or disabled who receive Supplemental Security Income enter through the Social Security Administration. Eligibility for programs like KidsCare, Medicare Cost Sharing, and long term care is handled by AHCCCS itself. Each eligibility group has its own income and resource criteria.

Behavioral health services for the acute care population and long term care programs are carved-out and delivered through an Intergovernmental Agreement between AHCCCS and the Arizona Department of Health Services (ADHS). ADHS contracts with Regional Behavioral Health Authorities (RBHAs) and Tribal RBHAs to deliver behavioral health services to members.

Since its inception in 1987, the Healthcare Group of Arizona (HCG), which is administered by AHCCCS, has provided health insurance coverage to uninsured small business employers (1 to 50 employees) and political subdivisions of the State of Arizona. The mission of HCG is to reduce the growing number of uninsured workers in the State of Arizona. HCG is a premium-based insurance program that is managed as a separate product line within AHCCCS. HCG contracts with uninsured small businesses, sole proprietors, and political

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subdivisions that wish to purchase prepaid health benefits for employees and eligible dependents. HCG markets its products through internal sales representatives and insurance brokers. HCG also contracts with health plans to organize coverage and manage medical services for employees and eligible dependents covered by prepaid health benefits purchased from HCG. Since September 2004, enrollment within the HCG products has grown approximately 96%, from 11,734 to 24,562 in December, 2006. Approximately 40% of this growth has been within the past 12 months. HCG's membership continues to grow between 3% and 4% monthly. With the implementation of several initiatives, HCG's goal is to exceed 32,000 members by July 2007.

The Arizona Department of Corrections (ADC) provides health care to inmates as required by federal and state law. ADC operates a managed care program that currently serves over 27,000 inmates at 10 state-operated correctional facilities. In October 2004, ADC began using AHCCCS as its bill processor or Third Party Administrator (TPA), which requires Tucson and Phoenix area facilities to utilize per diem flat rates for inpatient hospital bed costs. This same structure is utilized by AHCCCS; however ADC is not required to use AHCCCS rates. Previously, facilities often charged fees for all services based on a percentage of bill charges, such as a 70% ADC reimbursement of costs. The inpatient tiers include:


- ☐ Maternity
- ☐ Intensive Care Unit (ICU)
- ☐ Surgery
- ☐ Psychiatric
- ☐ Routine
- ☐ Custodial care

Physician services, outpatient, trauma, emergency care, specialty clinic, and air transportation are separate costs that are based on a fee schedule.

Hawaii and Arizona PMMIS Alliance (HAPA) is a collaborative project between the two state Medicaid agencies that allows for sharing of IT resources. The Prepaid Medical Management Information System (PMMIS) was designed specifically for Arizona's managed care Medicaid program. Under the agreement, Arizona runs and operates the application system for Hawaii's program as well as for its own. Both states share the costs of operation and maintenance of the core system, maximizing use of IT dollars.

Although HCG and Hawaii are not involved or specifically contemplated by this solicitation, they may wish to have their claims processed by the procured system in the future. Prices quoted in this proposal must address the option of adding this processing onto the system.

The Prepaid Medical Management Information System (PMMIS) is AHCCCS's statewide automated system designed to satisfy the unique processing and reporting needs of AHCCCS and the programs it administers. PMMIS integrates both the FFS claims processing with prepaid health plan encounter processing for all AHCCCS members to monitor the quality of medical care and to control total program expenditures. PMMIS maintains and monitors contractual, organizational, operational and financial information for the prepaid, capitated health plans (and program contractors) to assist them to provide quality medical care, comply with their contractual requirements and remain financially viable. In addition, PMMIS provides extensive

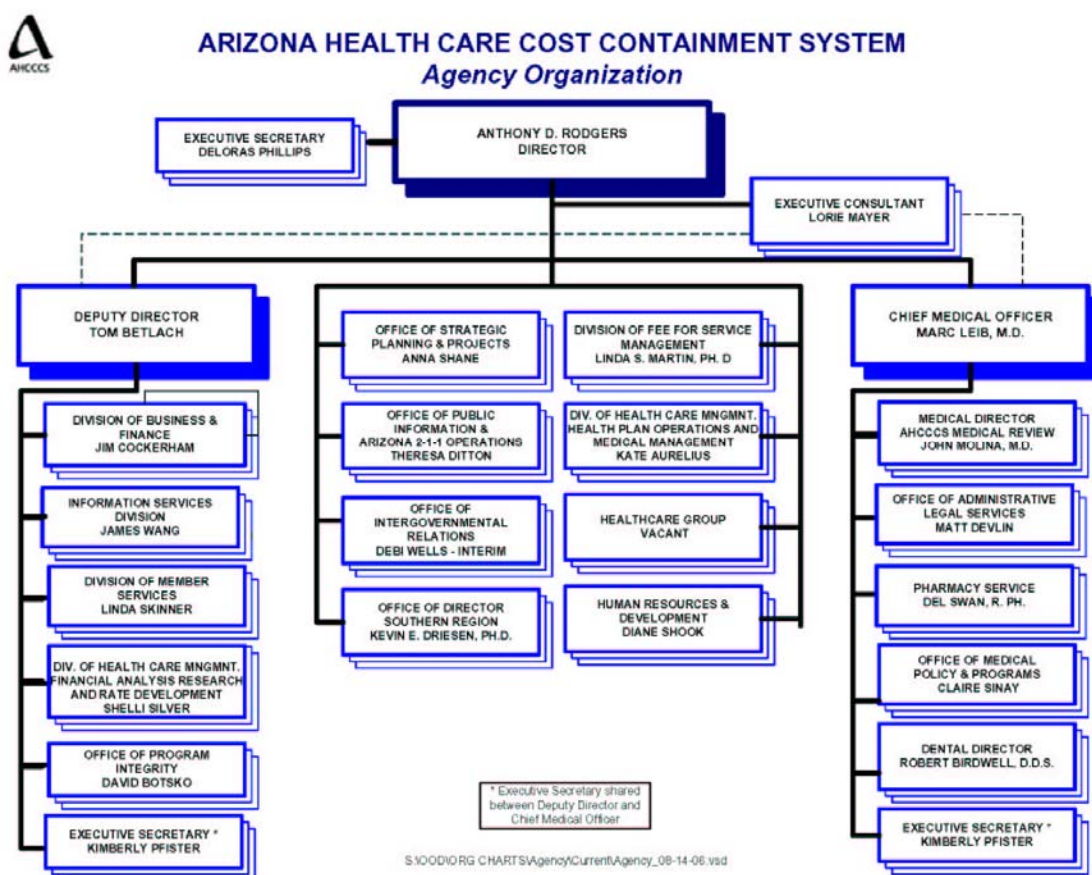
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information retrieval and reporting capabilities in order to satisfy the information needs of AHCCCS, the contractors for Medicare and Medicaid Services (CMS), other state and federal agencies, counties, health plans, providers and recipients.

Trading partners receiving and/or submitting electronic transactions connect to AHCCCS by going from the Internet through a Virtual Private Network (VPN) tunnel to the AHCCCS FTP server. In standard software-to-hardware VPN connections, VPN client software is installed and configured on each machine at the client site that requires FTP access.


2.2.2 Agency Organization

The following chart details how AHCCCS is currently organized:



2.2.3 Future

AHCCCS will continue to operate under an extension of its 1115 Research and Demonstration Waiver. Going forward, AHCCCS will work to implement the mandate of Arizona's executive branch to achieve a vision of 100 percent electronic health data exchange among payers, healthcare providers, consumers of healthcare, researchers, and government agencies, as appropriate. Hundreds of Arizonans, representing

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diverse interests and geographies, have voluntarily contributed to the process and are enthusiastic about the possibilities of moving e-health forward due to the potential for the following:

- ☐ A high rate of return on investment
- ☐ Improving quality of care
- ☐ Reducing medical cost associated with duplication and patient safety issues
- ☐ Creating opportunities for provider integration
- ☐ Improve chronic illness management and case management effectiveness

Specifically, the role of AHCCCS in this “Arizona Health-e Connection Roadmap” is to spearhead the following efforts:

- ☐ Ensuring health information is available at point-of-care
- ☐ Reducing medical errors
- ☐ Avoiding duplicate medical procedures
- ☐ Improving coordination of care
- ☐ Furthering healthcare research
- ☐ Encouraging patient participation
- ☐ Enhancing business environment
- ☐ Reducing state expenditures


Beyond Arizona Health-e Connection Roadmap activities, AHCCCS anticipates evaluating the feasibility of processing the claims of more states in its Prepaid Medical Management Information System (PMMIS), adjusting to federal initiatives related to the United States Department of Health and Services (HHS) assuming more responsibility for the elderly, and maximizing opportunities afforded by the Deficit Reduction Act of 2005 (DRA) as its provisions become effective.

AHCCCS may also selectively replace other components of the PMMIS in the future and/or migrate portions of this system to different platforms to increase web access, modernize the system, and take advantage of newer technologies. In keeping with MITA principles, AHCCCS has adopted a strategy on defining the future or “to be” state in stages and outlining distinct steps to implement the various stages. This procurement for a Claims Processing System is one of the steps in this process.

2.3 CONTRACT PHASES AND SCHEDULE

For the purpose of defining the contractor responsibilities and requirements, AHCCCS has defined the following phases for the modification, implementation, and ongoing support of the replacement fee-for-service claims processing system:

- ☐ Phase I – Project Initiation
- ☐ Phase II – Requirements Definition
- ☐ Phase III – Detail design, Development, and Modification
- ☐ Phase IV – Testing
- ☐ Phase V – Training and Documentation

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- ❑ Phase VI – Setup, System Configuration, and Conversion
- ❑ Phase VII – Implementation
- ❑ Phase VIII – Post-Implementation Support
- ❑ Phase IX – Ongoing Operations, Maintenance and Support
- ❑ Phase X – Turnover


Note that many of these phases will overlap.

The detailed schedule for the project will be finalized within the first twenty (20) days of the contract in the approved work plan. However, the following shows some of the key requirements that must be reflected in the work plan.

- ❑ Testing – The schedule must allow a minimum of ninety (90) days for user acceptance testing. All components of the system must be available for user acceptance testing a minimum of sixty (60) days prior to implementation.
- ❑ Documentation – Substantial drafts of all of the user documentation must be completed prior to user acceptance testing.
- ❑ Implementation – The replacement claims system must be implemented within one year after contract award.
- ❑ Setup, System Configuration, and Conversion – Setup, system configuration, and conversion activities must commence on a schedule that will adapt to the implementation timetable including allowing for adequate testing and verification of the setup and system configuration parameters and all converted data.
- ❑ Post-Implementation Support – The contractor must provide a minimum of ninety (90) days of post-implementation support.
- ❑ Turnover – The contractor must provide for a turnover period commencing six months prior to the end of the contract.
- ❑ Deliverable Reviews – The schedule must allow “reasonable” time frames for deliverable review and approval. The contractor should plan on a minimum of one (1) draft for each deliverable before finalizing it. It is expected that a minimum of seven (7) working days is allowed for smaller deliverables (such as the project work plan, status reports, and implementation checklist) and a minimum of twelve (12) working days for larger deliverables (such as detailed gap analysis, disaster recovery plan, detailed system documentation, etc.). Reviews of second and third versions of deliverables should allow a minimum of two (2) working days. In some cases, AHCCCS may provide “conditional” approval of deliverables with final approval contingent upon receiving certain changes.

To the extent that there are any delays, the contract schedule may be adjusted accordingly. However, it is AHCCCS’ desire to implement the replacement system no later than July 1, 2008. The responsibilities and requirements for each phase are discussed in detail below.

In each of the phases, the contractor may suggest other deliverables and eliminating or replacing certain deliverables but AHCCCS reserves the right to accept or reject the recommendations and require any or all of the deliverables specified above. However, in any case, all deliverables must be in a format acceptable to AHCCCS and must provide an acceptable level of detail and content.

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2.3.1 Phase I – Project Initiation

The contractor is required to conduct the necessary tasks to initiate the project immediately upon approval of the contract. It is expected that the contractor will define and set up the overall processes to manage the project, track status and issues, review and approve deliverables, etc.


This phase will also include setting up project libraries, defining the communication mechanisms, identifying the key contacts, defining roles and responsibilities, and so on.

2.3.1.1 Contractor Responsibilities

1. Assemble project team and commence project
2. Conduct a “kick off” meeting with AHCCCS
3. Set up project management mechanisms including regular status meeting and reporting, issue identification and tracking, and corrective action process
4. Draft final work plan and submit to AHCCCS for review
5. Finalize work plan based on AHCCCS feedback and gain final approval from AHCCCS
6. Prepare draft and final Risk Assessment and Mitigation Plan
7. Conduct ongoing project status meetings per agreed schedule
8. Prepare and submit periodic project status reports
9. Track and report on issues
10. Develop corrective action plans as required

2.3.1.2 Deliverables

1. Draft and Final Work Plan
The work plan must include high level Gantt chart, list of all tasks and subtasks including both AHCCCS and Offeror’s staff with planned start and completion dates and estimated level of effort for each, identification of major milestone and all deliverables, planned staffing of both AHCCCS and Offeror’s staff, and identification of critical path items.
2. Updated Work Plans (ongoing)
The work plan must be updated based on the agreed upon schedule and include estimated completion of each task/subtask in progress and an identification of any changed/deleted/added tasks/subtasks.
3. Status Reports (ongoing)
Status reports must include a summary of work completed during the period, tasks/subtasks planned for the next period, identification of any tasks/subtasks that are behind or in jeopardy of becoming behind schedule and proposed plan for addressing these tasks/subtasks, and an identification of any issues requiring AHCCCS action and recommended action or next steps; the status report should also recap any outstanding corrective action plans and the status of each.
4. Issue/Open Item List (ongoing)
The contractor must maintain a tracking system that provides regular reporting of issues and open items and showing the current status, person responsible, priority, date opened, projected completion date, description of the issue/open item, comments on the current status and next steps, and description of the resolution.

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5. Corrective Action Plans (ongoing, as needed)

Each corrective action plan must include a description of the deficiency, a description of the proposed corrective action, an estimate of the level of effort required to remedy the deficiency, proposed completion date; AHCCCS may also require periodic detailed status reports of outstanding corrective action plans.

6. Change Control Procedures

The contractor must define and document the process for dealing with changes both during the period prior to implementation and the ongoing operation period. The procedures must address the process for identifying changes and estimating the impact on the schedule as well as for tracking changes and ensuring that all changes are reflected in the design, development, documentation, testing, and so on.

7. Risk Assessment and Mitigation Plan


The contractor must prepare and submit a report that includes a risk assessment and a plan for mitigating the risks. AHCCCS may request that the contractor update this document periodically throughout the project.

2.3.2 Phase II – Requirements Definition/Validation Gap Analysis

Once the project is initiated, the contractor must conduct a thorough analysis of the requirements to determine which, if any, are not supported by the base system. Once the gaps are identified, the contractor must propose an approach to meeting the requirement or recommend a change in business practices to AHCCCS. To the extent possible, AHCCCS envisions an approach that is consistent with MITA such that the “as is” or current state is documented and the “to be” or proposed state is defined. While AHCCCS expects to participate in this phase, the contractor will be responsible for conducting a thorough and exhaustive review such that the contractor sufficiently identifies all of the requirements. The contractor will be responsible for satisfactorily satisfying and requirements that are “discovered” later in the project.

2.3.2.1 Contractor Responsibilities

1. Conduct an in-depth review and analysis of AHCCCS’ requirements including benefits, policies, procedures, program monitoring and oversight, and reporting.
2. Conduct JAD or other sessions with users as required to verify the requirements.
3. Map AHCCCS requirements to the proposed system and determine the “gaps.”
4. Prepare initial gap assessment report and present to AHCCCS.
5. Develop proposed changes/enhancements/solutions to fill the gaps.
6. Present proposed approach(s) with AHCCCS and obtain feedback.
7. Prepare draft Requirements Match Document and submit to AHCCCS for review.
8. Conduct a walk through of the draft Requirements Match Document.
9. Revise Requirements Match Document as required and submit final and obtain AHCCCS approval.

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2.3.2.2 Deliverables

1. Initial Gap Analysis Report
The Initial Gap Analysis Report will identify all of the potential “gaps” between AHCCCS requirements and the base system.
2. Draft/Final Requirements Match Document
The Requirements Match Document will “map” AHCCCS requirements to the base system. Where there are gaps, the contractor must clearly indicate whether or not the contractor is proposing to “fill” the gap by changing/enhancing the system, recommending that AHCCCS change a business practice, or recommending some other work around such as a manual solution. Note that AHCCCS reserves the right to accept or reject the contractor’s recommended approach.

2.3.3 Phase III – Detail Design for Modifications/Enhancements and Development


Once the requirements are finalized, the next step is to develop the detail design and specifications for the modifications/enhancements and then make the necessary program/system changes. During this phase, AHCCCS expects the contractor to keep AHCCCS informed of the current status throughout via the regular, ongoing status reports and the status meetings. Note that AHCCCS’ interest in the detail design relates to how the solutions will affect the users. That is, what will the screens look like, how many screens are involved in performing various tasks, how intuitive or user-friendly are the screens, where will certain data be available, etc. Regardless of the option contracted (hosted or non-hosted), the contractor must provide sufficient hardware/software resources to support all system development.

2.3.3.1 Contractor Responsibilities

1. Develop detail design and specifications for all modifications and enhancements to the system.
2. Identify all of the system interfaces and determine the requirements.
3. Prepare draft Detail Design Document and submit to AHCCCS for review.
4. Conduct a walk through of the draft Detail Design Document.
5. Incorporate feedback from AHCCCS as required and finalize Detail Design Document.
6. Submit final Detail Design Document and obtain AHCCCS for approval.
7. Update Data Dictionary and submit to AHCCCS for review.
8. Prepare a Backup/Recovery Plan and obtain AHCCCS approval. This plan will be tailored to the specific option contracted – either hosted or non-hosted.
9. Conduct a walk through of the proposed Backup/Recovery Plan.
10. Update Hardware/Software Configuration Requirements for non-hosted option and review with AHCCCS.
11. Finalize Hardware/Software Configuration Requirements and submit to AHCCCS.
12. Modify/enhance system as required based on Detail Design.

2.3.3.2 Deliverables

1. Draft/Final Detail Design Document for Modifications/Enhancements
The Detail Design Document must include a list of all new/modified data elements/fields and values; mockups of all new/modified screens and reports; a detailed description of the logic for any

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changes/additions to edits and pricing and any other processing logic. The document should describe all of the external interfaces in detail including all the data element, format, and timing requirements and any special consideration. This document should also indicate the scope of the changes, programs/modules affected, and estimates of effort.

2. Updated Data Dictionary

The contractor must provide an updated data dictionary that includes a description of all of the data elements in the system, identification of the location (table/file) for each, and the valid values (where applicable). The Data Dictionary must be maintained throughout the life of the contract.

3. Backup/Recovery Plan

The Backup/Recovery Plan must be tailored to the specific option that is contracted – hosted or non-hosted. For the hosted option, the contractor must describe the backup/recovery plan that the contractor will implement for the system including file backups, off-site storage, disaster/recovery training and procedures, alternate processing sites, etc. For the non-hosted option, the contractor must describe the recommended backup procedures including file retentions, restart and recovery procedures, etc. consistent with AHCCCS requirements. In this case, the contractor must meet with AHCCCS ISD staff to discuss AHCCCS requirements so that they can be addressed in the plan.


4. Detailed Hardware/Software Configuration Requirements (non-hosted option)

If the non-hosted option is selected, the contractor is required to provide a list of the detailed hardware and software configuration that will be required for AHCCCS to operate the system. The contractor must meet with AHCCCS ISD staff and review the configuration provided in the proposal along with any updates based on finalizing the requirements. Based on these discussions, the contractor must then update the requirements and submit the final proposed configuration.

2.3.3.3 Phase IV – Testing

The testing phase includes comprehensive testing of the system to ensure that all of the requirements are met, all of the functions of the system are working properly, and the system is ready to implement. The contractor will be required to provide sufficient hardware and software resources to support all of the contractor’s testing as well as a user acceptance test. At a minimum, a final user acceptance test will be performed on the “production” hardware/software configuration prior to implementation regardless of the option selected (hosted versus non-hosted). Additionally, at least part of the stress test must also be conducted on the “production” hardware/software prior to implementation. The details of exactly where all of the testing will occur and when will be defined in the detailed test plans.

AHCCCS has included three (3) distinct tests in this phase – system, user acceptance, and stress. The system test is to be conducted by the contractor and should be designed to ensure that the system is functioning properly prior to turning it over to the users for user acceptance testing. The contractor should be able to demonstrate “top to bottom” processing such as receiving claims, editing/adjudicating claims, and generating payment files for AHCCCS and remittance advices. The contractor should also be able to demonstrate “back to back” processing such as processing a new day claim and then adjusting it in a subsequent cycle.

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The contractor will be responsible for working with the users to define a comprehensive user acceptance test and develop the corresponding detailed test plan including testing scenarios and, in some cases, test data. While AHCCCS will participate in this effort, the contractor will be responsible to ensure that the necessary deliverables are completed, oversee the effort, and provide technical support to the users throughout. While certain aspects of the user acceptance test may be performed in a “test” environment, a final demonstration in the “production” environment will be required prior to implementation. The User Acceptance Test Plan will need to reflect this step.

The system test and the user acceptance test should both include tests of all of the system interfaces.


The contractor will also be required to develop and conduct a stress test sufficient to demonstrate that the system in the “production” environment will support AHCCCS volumes, provide acceptable response times, and meet the various performance criteria.

2.3.3.4 Contractor Responsibilities

1. Prepare a detailed system test plan based on the detailed requirements and the specific modifications that are required.
2. Submit System Test Plan and Schedule and obtain AHCCCS approval.
3. Prepare system test scenarios and data.
4. Conduct system testing, document deficiencies, correct deficiencies, and retest as required.
5. Document System Test Results and present to AHCCCS for review. Conduct walk throughs with AHCCCS as required.
6. Conduct meetings as required with users to finalized user acceptance testing requirements.
7. Prepare draft User Acceptance Test Plan/Schedule and review with AHCCCS.
8. Finalize User Acceptance Test Plan/Schedule and obtain AHCCCS approval.
9. Assist AHCCCS in preparing test scenarios and test data.
10. Assist AHCCCS in conducting user acceptance test including setting up testing environment(s).
11. Oversee user acceptance testing and document deficiencies, correct deficiencies, and retest as required.
12. Assist AHCCCS in documenting final user acceptance results and summarizing outstanding issues and recommended corrective action.
13. Prepare Stress Test Plan and review with AHCCCS.
14. Prepare stress test environment, scripts, and test data.
15. Conduct stress test.
16. Adjust/fix system as required to meet performance requirements and retest as necessary.
17. Document and summarize results of stress test.
18. Present final Stress Test Results and obtain AHCCCS approval.

2.3.3.5 Deliverables

1. System Test Plan/Schedule
The System Test Plan and Schedule must describe the approach to the system test and indicate the scope of the test, including all of the interfaces to be tested. It should also describe the source of the data, the method for verifying the results, and the detailed schedule for each of the steps in the process.

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2. Draft/Final User Acceptance Test Plan/Schedule

The contractor is responsible for preparing the User Acceptance Test Plan and Schedule with input from AHCCCS. This plan should include details of the test including the source of the data, the test scenarios and expected results, and the criteria for final system acceptance. This plan should also describe the procedures for reporting and tracking problems that are identified during testing.

3. System Test Results

The contractor will document the results of the system test and review those results with AHCCCS. The System Test Results deliverable should show inputs and outputs for sets of transactions (cycles) processed. It should also identify any outstanding discrepancies along with the proposed corrective action. Note that AHCCCS will not begin the user acceptance testing until the contractor has provided satisfactory results from system testing.

4. Stress Test Plan

The Stress Test Plan must describe the approach and scope of the stress test of the system. The purpose of the stress test is to demonstrate that the system configured for AHCCCS can satisfactorily process AHCCCS volumes and meet the performance criteria.


5. Stress Test Results

The contractor will be required to document the results of the stress test and walk through them with AHCCCS prior to implementation. The documentation should include the volumes and types of transactions and processes tested and the results. If there are open performance issues, then the contractor will be required to describe the proposed corrective action.

2.3.5 Phase V – Training and Documentation

It is anticipated that the training and documentation phase will overlap the design and development phase as well as the testing phase. In fact, some training and some documentation will be required prior to commencing the user acceptance testing. The contractor will be responsible for overseeing all of the user training as well as ensuring that the necessary training plans and materials for the user training are prepared. If the non-hosted option is selected, the contractor will be responsible for preparing and conducting operations training and producing operations documentation. Under both options (hosted and non-hosted), the contractor is responsible for preparing system documentation and user documentation.

AHCCCS desires a comprehensive training program that is tailored to incorporate AHCCCS policies and procedures as well as the specifics on how to use the system. The contractor will be required to work with AHCCCS to design and prepare a detailed work flow of each of the processes and how they will operate in the AHCCCS environment. The contractor will also be required to work with AHCCCS to prepare desk level procedures and other training materials that are required that reflect the detailed work flow and that integrates instructions on how to use system with AHCCCS' policies and procedures. While AHCCCS is prepared to participate in this effort, the contractor will be responsible for ensuring that the deliverables are completed and approved.

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The contractor will also be required to “train the trainers” as well as support the entire user training effort as needed.

2.3.5.1 Contractor Responsibilities

1. Design detailed work flow for new system.
2. Prepare Model Work Flow and Staffing Projections and submit to AHCCCS for review.
3. Walk through proposed Model Work Flow with AHCCCS.
4. Finalize Model Work Flow and Staffing Projections and obtain AHCCCS approval.
5. Meet with AHCCCS to define user training requirements.
6. Draft a User Training Plan and submit to AHCCCS for review.
7. Finalize User Training Plan and obtain AHCCCS approval.
8. Prepare Desk Level Procedures and submit to AHCCCS for review.
9. Walk through Desk Level Procedures with AHCCCS.
10. Finalize Desk Level Procedures and obtain AHCCCS approval.
11. Prepare other User Training Materials as required.
12. Submit User Training Materials and obtain AHCCCS approval.
13. Conduct training for AHCCCS trainers and other key staff.
14. Modify update user training as required to incorporate feedback from AHCCCS initial training sessions.
15. Assist AHCCCS in user training as required.
16. If non-hosted option is selected, draft Operations Training Plan and submit to AHCCCS for review.
17. If non-hosted option is selected, finalize Operations Training Plan and obtain AHCCCS approval.
18. If non-hosted option is selected, prepare operations training materials and obtain AHCCCS approval.
19. If non-hosted option is selected, conduct operation training.
20. Prepare System Documentation and obtain AHCCCS approval.
21. Prepare User Documentation and obtain AHCCCS approval.
22. If non-hosted option is selected, prepare Operations Documentation and obtain AHCCCS approval.

2.3.5.2 Deliverables

1. Draft/Final Model Work Flow and Staffing Requirements
The contractor must design the manual work flow and processes that AHCCCS will use in conjunction with the new system. This deliverable should include step-by-step descriptions and flow diagrams of proposed work flow. Additionally, the contractor must estimate the staffing requirements for each of the major functions in the process.
2. Draft/Final Desk Level Procedures
Once the work flow is approved, the contractor is responsible for developing the associated Desk Level Procedures. AHCCCS staff will participate in this effort. The Desk Level Procedures will be used in the training and must include AHCCCS policies and procedures as well as instructions on how to perform each of the system functions.

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3. Draft/Final User Training Plan

The contractor must prepare a detailed User Training Plan with an outline of all of the training requirements that includes a schedule for each of the training sessions and indicates which staff should attend each of the sessions. The User Training Plan should also provide an overview of each session along with an outline of the topics that will be covered.

4. Draft/Final User Training Materials

The User Training Materials will supplement the Desk Level Procedures and will include examples, exercises, and reference material to be used during the user training. The contractor will be responsible for preparing this deliverable with the assistance of AHCCCS staff.

5. Draft/Final Operations Training Plan (non-hosted option)

If the non-hosted option is selected, the contractor must develop a training plan for the AHCCCS operations staff. The training plan should address the topics to be covered, the staff to be trained, and a detailed schedule.

6. Draft/Final Operations Training Materials (non-hosted option)

If the non-hosted option is selected, the contractor must prepare the necessary training materials required for the training. It is expected that the training will include some “hands on” training where staff actually execute various jobs, debug production problems, perform backup tasks, etc.

7. System Documentation

The contractor must provide detailed documentation on the system that includes overviews of the processes/modules, system flow diagrams, naming and coding conventions, and detailed descriptions of key logic. Note that the System Documentation must be at a level of detail and in a format acceptable to AHCCCS.

8. User Documentation


The contractor must provide User Documentation on the system that describes how to use the system, provides samples and descriptions of all screens, provides samples and descriptions of all reports, lists and describes all of the edits, provides detailed information on key logic such as pricing, and describes other useful reference information such as code values, troubleshooting, etc. Note that the Data Dictionary is a separate deliverable.

9. Operations Documentation (non-hosted option)

If the non-hosted option is selected, the contractor must provide detailed documentation on the procedures for operating/running the system. This documentation should include description of all jobs/scripts, standard schedule for running jobs, list of ad hoc/special jobs, backup procedures, troubleshooting and recovery procedures, output/process validation and balancing, reference material, etc.

2.3.6 Phase VI – Setup, System Configuration, and Conversion

Setup, system configuration, and conversion will include all of the tasks required to set up the system, configure the various parameters, populate the reference and supporting tables, and convert data from the

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current PMMIS as required for start up. While AHCCCS plans to participate in these activities, the contractor will be responsible for overseeing and managing this effort and for ensuring that all of the deliverables are completed and accepted. The contractor will also be required to participate, as required, to ensure that the setup of the system is complete and accurate and that the initial conversion and initial populating of files is successful.


Note that AHCCCS has not determined whether the cutover will be based on a date of service or on a date of payment/process date. AHCCCS will seek recommendations from the Offerors in their proposals.

2.3.6.1 Contractor Responsibilities

1. Meet with AHCCCS staff and define the overall setup and conversion strategy.
2. Develop a comprehensive plan for setting up and initializing the system that addresses all of the manual set up steps, all of the data sources, estimate level of effort involved, all of the electronic files to be converted, issues and decisions that are required by AHCCCS.
3. Submit draft Setup and Conversion Plan to AHCCCS for review.
4. Incorporate feedback from AHCCCS into plan as required.
5. Submit final Setup and Conversion Plan and obtain AHCCCS approval.
6. Establish setup team consisting of contractor and AHCCCS resources.
7. Define requirements for conversion of electronic files (claims history, procedure/diagnosis codes, initial build of member file, etc.) and prepare conversion mapping documents.
8. Submit Conversion Mapping Documents for AHCCCS review.
9. Revise Conversion Mapping Documents as required based on AHCCCS feedback.
10. Finalize Conversion Mapping Documents and obtain AHCCCS approval.
11. Finalize Setup Plan and Schedule for populating and setting up reference files that are not converted.
12. Submit final Setup Plan and obtain AHCCCS approval.

2.3.6.2 Deliverables

1. Draft/Final Setup and Conversion Plan
The Setup and Conversion Plan must present the overall strategy for configuring the system. The contractor must provide a detailed plan for setting up and initializing all of the files/parameters required for startup including specifying the source of the data, the approach for populating the tables/files (manual data entry versus automated file conversions), the resources required for each task, and the schedule for each of the tasks.
2. Comparison of Draft/Final Setup and Conversion Plan
Describe your experiences interfacing the claims system proposed to AHCCCS with other systems. Please state the hardware and software you were interfacing with in each case. Limit your description of experiences to the five (5) that most closely represent the interfaces at AHCCCS.
3. Draft/Final Conversion Mapping Documents
The contractor must provide detailed documents that show the mapping of all the data elements available in the current PMMIS to the new system that will be required for startup. This includes all of the

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historical information (paid claims) that must be converted. The mapping documents will specify any data cleaning steps that must be performed and the detailed logic for any data transformations that are required. AHCCCS will provide extracts in mutually acceptable formats for loading the data.

4. Draft/Final Conversion Quality Control Plan

The contractor must provide a plan for quality checking each automated conversion and each setup activity. The plan should outline each step in the quality checking process and address who will be responsible for each task.

5. Final Setup Plan/Schedule (for Populating and Setting up Reference Files not Converted)

The contractor must prepare a final Setup Plan and Schedule for populating all of the system tables and files that are not converted. The Setup Plan/Schedule should include a schedule for each task and who is responsible.

2.3.7 Phase VII – Implementation and Startup


Prior to installation, the contractor must obtain sign off on the user acceptance test, conversion, and system setup and configuration. However, it is expected that the implementation planning will begin prior to having the signoffs. The contractor must work with AHCCCS to develop a comprehensive implementation plan. Some of the considerations will include the cutoff schedule for the final input into the current system, handling/transfer of work in progress (pending claims, open account receivables, etc.), timing for notifications to external entities (providers, other agencies, etc.), timing for final data conversions, and schedule for first production outputs in the new system.

2.3.7.1 Contractor Responsibilities

1. Meet with AHCCCS staff and determine overall strategy and timing for implementation.
2. Prepare detailed Implementation/Cutover Plan and conduct walk throughs with AHCCCS staff.
3. Incorporate changes as required and finalize the detailed Implementation/Cutover Plan.
4. Submit Implementation/Cutover Plan and obtain AHCCCS approval.
5. Develop a comprehensive Implementation Checklist and submit to AHCCCS for review.
6. Finalize Implementation Checklist and obtain AHCCCS approval.
7. Prior to implementation and startup, conduct an implementation readiness test.
8. Document results of implementation readiness test and submit Implementation Readiness Report to AHCCCS with recommendations.
9. If the non-hosted option is selected, prepare a Hardware/Software Acquisition Schedule and obtain AHCCCS approval. Note that the set up of the new environment under the non-hosted option must be coordinated with the user acceptance testing, conversion, system setup tasks, and other implementation tasks.
10. Oversee the acquisition and installation of hardware and software if the non-hosted option is selected.

2.3.7.2 Deliverables

1. Implementation/Cutover Plan

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The Implementation/Cutover Plan must include a detailed schedule of all of the steps involved in cutting off processing in the current system and commencing processing in the new system.

2. Implementation Checklist

The contractor must develop a comprehensive Implementation Checklist that will be used in the implementation readiness review. The checklist should include items such as checking the status of training, testing, deliverables, documentation, notices to providers, conversion, system setup and configuration, hardware/software acquisition, open items/issues, etc.

3. Implementation Readiness Report

The contractor must summarize the results of the implementation readiness review and submit an Implementation Readiness Report. This report should include the status of any open items along with corrective action plans, a risk assessment for both the go/no go scenarios with implications, and a recommendation as to the readiness of the system and operations for implementation.

4. Hardware/Software Acquisition Schedule (non-hosted option)

If the non-hosted option is selected, the contractor must prepare a Hardware/Software Acquisition Schedule. This schedule should also include the schedule for installation and check out of the new configuration.


2.3.8 Phase VIII – Post implementation Support

The contractor is required to provide a high level of support for the first six (6) months after implementation. This should include providing a rapid response team to address issues, answer questions, support follow up training requirements, and provide technical assistance. It also must include a post implementation review. The Post implementation Review Report should include a prioritized list of all open problems and issues, estimated impact of each, and recommended corrective action. The report should also detail the lessons learned.

The contractor is also responsible for obtaining federal certification of the system. It should be noted that CMS has announced that the certification process may change beginning in 2007 and that the new process may include pre-implementation certification steps.

2.3.8.1 Contractor Responsibilities

1. Provide rapid response team to support AHCCCS during post implementation period.
2. Conduct post implementation review and document results.
3. Submit Post implementation Review Report and obtain AHCCCS approval.
4. Develop a Certification Plan and obtain CMS approval of the proposed plan.
5. Prepare Certification Materials as required for CMS certification.
6. Support federal certification review including responding to deficiencies, answering questions, and conducting walk throughs and giving presentations.
7. Obtain federal certification of system.

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2.3.8.2 Deliverables

1. Post implementation Review Report
The contractor must document the results of the post implementation review including detailing all open problems and issues and providing proposed corrective actions to remedy. The open problems/issues should be prioritized and the contractor should provide a description of the implications or impact of each. The report should also include a discussion of the lessons learned.
2. Certification Plan
The contractor must prepare a Certification Plan that is consistent with CMS requirements. The plan should include a schedule, itemize the deliverables/materials to be prepared and submitted to CMS, and indicate responsibilities for each task.
3. Certification Materials
The contractor is required to prepare all of the materials required for certification including documentation, work plans, status reports, and presentations.


2.3.9 Phase IX – Ongoing Operations Maintenance and Support

During the ongoing operations phase, the contractor will continue to support the system and make any modifications to the base system that are required to support AHCCCS requirements as well as correct any deficiencies encountered.

AHCCCS may or may not opt to install new releases of the system and the contractor must continue to maintain the version operating for AHCCCS throughout the life of the contract. If new versions are installed, the contractor will be responsible for overseeing the installation including any user setup/configuration efforts and user training.

2.3.9.1 Contractor Responsibilities


1. Provide ongoing operations and maintenance support as required including troubleshooting and technical assistance.
2. Assist AHCCCS in defining ongoing changes and requirements and developing system change requests.
3. Respond to system change requests and provide proposed solutions and estimates.
4. Finalize proposed solutions and scope for all change requests and obtain approval from AHCCCS.
5. Maintain project work plans for changes and enhancements and provide regular status updates and status reports.
6. Maintain and track open items/issues and provide regular status reports.
7. Provide corrective action plans for deficiencies including late deliverables related to change requests.
8. Process changes requests and deliver software changes/enhancements. AHCCCS will install in non-hosted option; contractor to install in hosted option.
9. Remedy system deficiencies and errors and deliver “fixes” as required. AHCCCS will install in non-hosted option; contractor to install in hosted option.

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10. Maintain System, Operations (non-hosted option), and User Documentation as required to reflect change, enhancements, and fixes.
11. Provide ongoing training updates including user and operations (non-hosted option) training materials as required for system changes, enhancements, and fixes.
12. Depending on the scope of the changes/fixes), the contractor may be required to provide additional training to “trainer the AHCCCS trainers.”
13. Provide new versions of system for AHCCCS consideration as they are available.

2.3.9.2 Deliverables

1. Solution Statements and Estimates in response to Change Requests
The contractor must provide a detailed response to AHCCCS change requests that includes a description of the proposed solution, the proposed schedule, and an estimate of the level of effort.
2. Project/Work Plans for Changes/Enhancements
The contractor must prepare and maintain detailed work plans for each change/enhancement.
3. Status Reports (ongoing)
The contractor must provide regular ongoing status reports that summarize the status of the project including each open change request and any open corrective action reports.
4. Issue/Open Item List (ongoing)
The contractor must maintain a list of all of the open items/issues and provide regular status along with recommended steps for resolving each.
5. Corrective Action Plans (ongoing, as needed)
The contractor must provide a corrective action plan if required by AHCCCS for specific deficiencies such as a missed major milestones, late deliverable, and system defects. The Corrective Action Plan must include a statement of the problem, the proposed solution, a detailed work plan and schedule, and an estimate of the size of the effort.
6. System Software Fixes/Patches
If the non-hosted option is selected, the contractor must provide AHCCCS with fixes/patches to correct deficiencies to install/apply. If the hosted option is selected, the contractor will be responsible for installing/applying these fixes/patches.
7. System Software Changes/Enhancements
If the non-hosted option is selected, the contractor must provide AHCCCS with system changes and enhancements for AHCCCS to install. If the hosted option is selected, the contractor will be responsible for installing/applying these changes and enhancements.
8. Updated System, Operations (non-hosted option), User Documentation

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The contractor must maintain the System, Operations (non-hosted option), and User Documentation and provide updates as needed to reflect changes/fixes to the system.

9. Ongoing Training Updates

Likewise, the contractor must maintain the training materials and provide updates as system changes/fixes are made.

10. New Versions of System (optional)

The contractor must keep AHCCCS advised of upcoming releases of new versions of the system. AHCCCS may or may not opt to install a new version.

2.3.9.3 Phase X – Turnover


Upon termination of the contract, the contractor will be required to turnover certain information and provide some turnover assistance.

2.3.9.4 Contractor Responsibilities

1. Prepare a Turnover Plan that itemizes each step in the turnover process. The Turnover Plan is due six (6) months prior to the normal termination of the contract and within ten (10) days of any other termination notification. The Turnover Plan should provide for a smooth transition with minimum interruption of AHCCCS business operations.
2. Submit Turnover Plan and obtain AHCCCS approval.
3. If the hosted option is selected, the contractor must turn over all final copies of all data files associated with the system.
4. Turnover copies of all of the most current System, Operations (both options), and User Documentation.
5. Provide a final Turnover Status Report within five (5) days of final turnover.
6. Provide technical assistance to AHCCCS or AHCCCS-designated offeror throughout turnover period.

2.3.9.5 Deliverables

1. Turnover Plan
The contractor must prepare a comprehensive Turnover Plan that details each step in the turnover process and indicated who is responsible for each.
2. Data Files (hosted option)
The contractor must provide copies of all data files in a format acceptable to AHCCCS.
3. Most Current Documentation
The contractor must provide copies of the most current System, Operations (both options), and User Documentation.
4. Final Turnover Report

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The final Turnover Report must summarize the status of the turnover process, identify any open problems or issues, and itemize everything that was turned over.


2.4 DETAILED REQUIREMENTS

The requirements for the system are presented below in table format. (Attachment C will present these requirements and require the offeror to indicate the ability of the system proposed to fulfill these requirements)


2.4.1 General Requirements

The system must meet the following requirements for any claims and related software whether the system is hosted or the software is operated on AHCCCS hardware except as noted below.

2.4.1	Requirement
.1	The system must be in compliance with Federal and state requirements including the federal State Medicaid Manual, 42 and 45 CFR, HIPAA, and applicable Arizona statutes and rules, and agency policies
.2	Standards <ul style="list-style-type: none"> <input type="checkbox"/> Must comply with industry standards for development, maintenance (indicate Capability Maturity Model level or other certification) <input type="checkbox"/> All web functions must meet AHCCCS standards and maintain the “look and feel” of AHCCCS web functions <input type="checkbox"/> Platform must be compatible with AHCCCS environment and future directions <input type="checkbox"/> Must provide version control and release procedures <input type="checkbox"/> Must provide means to track and control changes <input type="checkbox"/> Must provide comprehensive testing of all software development and changes
.3	Documentation <ul style="list-style-type: none"> <input type="checkbox"/> Provide comprehensive and up-to-date system and operations (non-hosted option) documentation <input type="checkbox"/> System documentation must include detailed description of data base structure, data dictionary, documentation on source/calculations for all fields that are displayed on screens and reports, selection criteria/logic for screens and reports, detailed logic for edits, detailed description of key algorithms including all pricing logic, etc. <input type="checkbox"/> Provide user-friendly user manuals and instructions
.4	System must be designed such that it can evolve to meet MITA objectives in terms of <ul style="list-style-type: none"> <input type="checkbox"/> Providing a “service oriented” architecture that supports the business needs of the enterprise <input type="checkbox"/> Providing a flexible, adaptable, and responsive system that increases in the level of maturity over time <input type="checkbox"/> Supports seamless integration within the system between the components

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.5	System features <ul style="list-style-type: none"> <input type="checkbox"/> Table/business rule/user parameter-driven <input type="checkbox"/> Consistent “look and feel” for screens including means of navigating from screen to screen, field names, general layout of screens, method of flagging/displaying errors, etc. <input type="checkbox"/> Provide access to data in efficient manner using minimum of screens for common inquiries, common research tasks, data entry, etc. <input type="checkbox"/> Efficient data base design that supports data entry, inquiries, batch processing and reporting <input type="checkbox"/> Provide easily accessible help information by allow users to “click” on help at the screen or field level <input type="checkbox"/> Where possible, display descriptions of code values or provide easy lookup access to this information
.6	Security <ul style="list-style-type: none"> <input type="checkbox"/> Meet HIPAA and State of Arizona requirements <input type="checkbox"/> Restrict access to sensitive information based on individual users and/or roles/security groups <input type="checkbox"/> Restrict/limit add/update capability to individual users and/or roles <input type="checkbox"/> Provide ability to set levels for certain functions such as who can override which edits, who can approve certain prior authorization requests, who can manually price a claim, etc. <input type="checkbox"/> Limit access to information based on line of business, provider, case manager, etc.; for example, providers access needs to be restricted to only their information, case managers may be restricted to only their cases, certain units may only access a certain line of business (e.g. ADOC or HCG) <input type="checkbox"/> Record and report unauthorized attempts to access data <input type="checkbox"/> Provide means to easily maintain security tables <input type="checkbox"/> Provide capability to turn on/off access logging and trace all accesses
.7	System auditing and audit trails <ul style="list-style-type: none"> <input type="checkbox"/> Maintain detailed audit trails of all key data changes preferably with before/after images <input type="checkbox"/> Maintain date/time stamps and source (user ID, provider direct input, electronic file submitted by provider/clearing house, system-generated update, etc.) on all add/update activity <input type="checkbox"/> Do not physically delete records – provide for logical deletes (status or flag on record)
.8	Provide for comments/free form text <ul style="list-style-type: none"> <input type="checkbox"/> Allow user to associate comments to specific transactions/updates/records/actions <input type="checkbox"/> Capture date/time of comment and user ID <input type="checkbox"/> Do not allow comments to be changed after they are entered <input type="checkbox"/> Allow users to browse/access comments by user ID of originator, type of comment, member, provider, addressee, key words
.9	Provide ability for users to correspond electronically and leave e-messages for other users, providers, and external organizations <ul style="list-style-type: none"> <input type="checkbox"/> Notify user when message received/read <input type="checkbox"/> Maintain audit trail of sent messages and tie to member, provider, claim, action as appropriate <input type="checkbox"/> Allow users to set level of importance <input type="checkbox"/> Allow users to set up different folders for responses
.10	Support automatic and manual alerts <ul style="list-style-type: none"> <input type="checkbox"/> Automatically generate alerts base on user-defined criteria <input type="checkbox"/> Route alerts to various queues or user based on type of alert <input type="checkbox"/> Allow users to enter/trigger manual alerts <input type="checkbox"/> Track date/time, source, and status of each alert


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.11	Work Management <ul style="list-style-type: none"> <input type="checkbox"/> Provide flexible means to define work flow and queue work into “locations” for action/resolution <input type="checkbox"/> Provide hierarchy for defining the queue/location to which each item requiring action is to be sent <input type="checkbox"/> Provide work management reports showing inventories by location and age, activity (additions, completions) for each location <input type="checkbox"/> Allow for work management parameters to be set by line of business and/or company codes
.12	Reporting <ul style="list-style-type: none"> <input type="checkbox"/> Provide user-specified heading and footers on reports including logos <input type="checkbox"/> Names of fields should be consistent across reports <input type="checkbox"/> Ability to request reports online and specify type of output (hard copy, pdf, text file or other extract file, etc.) and destination (printer, folder, etc.) <input type="checkbox"/> Ability to reprint/reproduce reports based on “as of date”
.13	Archiving <ul style="list-style-type: none"> <input type="checkbox"/> Provide ability to archive data based on parameters such as date of service, date of last processing/last activity date, date of payment, line of business, etc. to a permanent storage media/device <input type="checkbox"/> Provide ability to vary archive parameters by line of business <input type="checkbox"/> Provide means for users to specify other criteria/exceptions in archiving rules such as flagging accounts/offers based on open audit activity <input type="checkbox"/> Provide means to recover/use archived data for special projects
.14	Backup/Recovery <ul style="list-style-type: none"> <input type="checkbox"/> For the hosted option, provide comprehensive backup/recovery plan <input type="checkbox"/> For the non-hosted option, provide AHCCCS with a backup/recovery plan that is compatible with AHCCCS environment and meets AHCCCS requirements
.15	Test/QA/Training/Production environments <ul style="list-style-type: none"> <input type="checkbox"/> Maintain separate environments for each activity <input type="checkbox"/> Provide means of populating tables in test/QA/training environments from production
.16	Automatic job scheduling <ul style="list-style-type: none"> <input type="checkbox"/> Provide means to “automatically” initiate/kick off jobs/scripts based on a schedule


2.4.2 Benefit Management

AHCCCS is seeking a benefit management capability that is flexible and can support defining the various AHCCCS program benefit structures. The benefit management capability should be easy to use and efficient, providing features such as the ability to copy benefits and portions of benefit definitions from program to program.

2.4.2	Requirement
.1	Provide a comprehensive, flexible, and user-friendly means for users to specify and configure program benefits <ul style="list-style-type: none"> <input type="checkbox"/> Support definition of unlimited number of benefit plans <input type="checkbox"/> Allow for association of benefit plan to line of business, user-specified criteria, or specific member <input type="checkbox"/> Allow members to be associated to multiple benefit plans and users to specify hierarchy of processing <input type="checkbox"/> Provide templates for creating new benefit plans

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.2	Provide capability for users to configure benefits including <ul style="list-style-type: none"> <input type="checkbox"/> Services covered along with specific service limitations or maximums based on time period, age, gender, and line of business <input type="checkbox"/> Co-pays including tiered co-pays, deductibles, and out-of-pocket maximums including annual and lifetime with the ability to vary these all based on time period, types or categories of services and in/out of network services, and as family and/or individual <input type="checkbox"/> Allow for manual input or adjustments to accumulators <input type="checkbox"/> Provide capability to transfer member accumulators across benefit plans if member changes plan <input type="checkbox"/> Support sliding scale premium amounts base on user-specified criteria; support different premiums based on user-specified criteria such as line of business, age, gender, etc. within a single benefit plan <input type="checkbox"/> Allow users to associate multiple provider networks with all or specific services within a plan
.3	Provide user-configurable service limitations for number of services (units/days) and/or dollar amount <ul style="list-style-type: none"> <input type="checkbox"/> Allow users to configure service limitations for by service or groups of services <input type="checkbox"/> Allow users to define service limitation period (per x days, x months, calendar year, year based on enrollment anniversary, lifetime, etc.) <input type="checkbox"/> Allow for preset time periods and rolling or sliding time periods (preset = per day or per month; rolling = last 6 months; sliding = any 6 month period) <input type="checkbox"/> Provide inquiry access to status of limits (units used, units available) by member and link to specific claims that have added to each limit
.4	Provide inquiry/reporting into status of all accumulators <ul style="list-style-type: none"> <input type="checkbox"/> Provide summary information of current status of all accumulators <input type="checkbox"/> Provide detail reporting of all claims/transactions related to specific accumulators for a user-specified time period
.5	Provide for automatic and manual assignment of benefit plan to members based on user-specified criteria such as line of business, age, gender, user-fields on member file, etc.
.6	Provide for comments/free form text <ul style="list-style-type: none"> <input type="checkbox"/> Allow user to associate comments to specific transactions/updates and/or sections of the benefit plan <input type="checkbox"/> Capture date/time of comment and user ID <input type="checkbox"/> Do not allow comments to be changed after they are entered <input type="checkbox"/> Spell check comments
.7	Support automatic and manual alerts <ul style="list-style-type: none"> <input type="checkbox"/> Automatically generate alerts base on user-defined criteria <input type="checkbox"/> Route alerts to various queues or user based on type of alert <input type="checkbox"/> Allow users to enter/trigger manual alerts <input type="checkbox"/> Track date/time, source, and status of each alert
.8	Provide comprehensive reporting including <ul style="list-style-type: none"> <input type="checkbox"/> User-friendly description of each plan to be included in member materials <input type="checkbox"/> Performance analysis (cost) of each plan or of components of a plan <input type="checkbox"/> Statistics on accumulators (co-pays, deductibles, etc.) and premiums (billed vs. paid)

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2.4.3 Member Management

The system must provide a member management component that maintains accurate and timely information on all fee-for-service members. AHCCCS will provide a monthly member file at the end of each month of all members that are eligible as of the first of the next month. AHCCCS will also provide daily member updates that include adds, changes, and deletes/terminations.

2.4.3	Requirement
.1	Receive enrollment data electronically from PMMIS/other sources in industry standard formats <ul style="list-style-type: none"> <input type="checkbox"/> Must process AHCCCS daily and monthly 834 member roster files (see formats on AHCCCS website along with technical interface guide) <input type="checkbox"/> Update process must account for all transactions and report exceptions <input type="checkbox"/> Update process must check for duplicate and suspect duplicate members
.2	Update process must allow for current, prospective, and retroactive eligibility/enrollment and other changes <ul style="list-style-type: none"> <input type="checkbox"/> Maintain a minimum of 2 years of enrollment information <input type="checkbox"/> Must automatically assign member to appropriate line of business based on criteria such as health plan ID, contract type, rate code, etc.
.3	Member may be enrolled in multiple lines of business (or companies, depending on structure of Offeror's system) <ul style="list-style-type: none"> <input type="checkbox"/> A member's enrollment may change from one line of business to another line of business <input type="checkbox"/> A member may be concurrently "enrolled" in two lines of business such as HIS acute care and HIS behavioral health – in this case, claims for both "lines of business" may be paid through the system <input type="checkbox"/> A member may be concurrently "enrolled" in two lines of business such as acute care and school-based services – in this case, only the claims for the school-based services will be paid through the system and the acute care claims will be processed by an AHCCCS health plan or program contractor <input type="checkbox"/> System must process claims under the correct benefit plan
.4	Update, maintain and track other insurance coverage including Medicare <ul style="list-style-type: none"> <input type="checkbox"/> Update TPL information from 834 roster transactions and other sources such as the AHCCCS FYI file (see AHCCCS website for information on these files) <input type="checkbox"/> Maintain information on Medicare coverage and Part D plan enrollment <input type="checkbox"/> Maintain other insurance information by effective dates and type <input type="checkbox"/> Provide required TPL information back to AHCCCS
.5	Maintain and track members by AHCCCS ID <ul style="list-style-type: none"> <input type="checkbox"/> AHCCCS ID/AHCCCS identifier to be used as the primary identifier with providers, members, and AHCCCS <input type="checkbox"/> Track other member IDs such as HIC/SSN/DES/BHS/CRS/etc. as well as source of number
.6	Cross reference and link members as required by primary AHCCCS ID <ul style="list-style-type: none"> <input type="checkbox"/> Consolidate claims history for editing and auditing purposes under primary number <input type="checkbox"/> Consolidate member information under primary number
.7	Track head of household name, ID number, and demographic data <ul style="list-style-type: none"> <input type="checkbox"/> Note that family members each have their own eligibility periods and may have their own benefit package <input type="checkbox"/> System must have capability to cross-reference and show all members on a case

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.8	Provide for user-defined fields to accommodate such as <ul style="list-style-type: none"> ❑ Support user-defined fields to accommodate information such as AHCCCS rate code information, on/off reservation indicators, tribe, ethnicity, language, living situation/placement, contact information ❑ Utilize user-defined fields to drive certain processing such as assigning line of business, generating alerts, reporting, editing claims, etc. ❑ Provide ability to associate member with multiple case managers (e.g. medical case manager, social worker, behavioral health coordinator, etc.)
.9	Provide comment/text fields <ul style="list-style-type: none"> ❑ Comments must be associated with different elements/conditions such as high-risk cases, other insurance, special processing considerations, demographics ❑ Comments should be indexed by status (open, closed, deleted, etc.), type (case management, other insurance, etc.), date, and user ❑ Comments need to be protected once entered
.10	Provide process to maintain user-supplied information that is not overlaid with AHCCCS updates <ul style="list-style-type: none"> ❑ Maintain separate fields for some information so as not to overlay or wipe out; report differences and changes or generate alerts ❑ Provide this capability for TPL information and demographic information
.11	Maintain audit trail of all changes with date/time stamp and distinguished electronic updates (from AHCCCS) from manual updates by staff (user ID) <ul style="list-style-type: none"> ❑ Track changes at the field level for key fields
.12	Flag user-defined member high risk medical conditions and other critical issues <ul style="list-style-type: none"> ❑ Automatically flag members for special processing based on user-specified criteria ❑ Allow for manual updates to flag members for review
.13	Support online inquiry access to member information across lines of business <ul style="list-style-type: none"> ❑ Filter/screen sensitive information based on user's security level of access ❑ Provide members by various criteria -- full/partial name, date of birth, county, IDs (AHCCCS, HIC, SSN, etc.), case number, head of household, etc. ❑ Provide capability to search by "sounds like" name or partial name ❑ Provide web-based inquiry for providers and members??
.14	Support web-based inquiry to member information for providers and members <ul style="list-style-type: none"> ❑ Filter/screen information based on inquirer ❑ Allow providers/members to supplement/update certain information
.15	Provide capability for alerts/reminders/ticklers <ul style="list-style-type: none"> ❑ Automatically generate based on certain criteria (including user-defined fields) such as member termination, address change, certain age, etc. ❑ Route alerts to appropriate entity (provider, case manager, tribe, etc.) based on pre-defined criteria ❑ Generate reminders to providers, members and case managers for certain services based on periodicity schedule (mammogram screening, immunizations, follow up appointments, etc.) ❑ Provide for manually generated alerts and ticklers ❑ Provide automatic follow up reminders/alerts based on user-supplied schedules (e.g. every 5 days, after 30 days, etc.) ❑ Provide status on alerts to allow for forwarding, dismissing to a later date, closing, etc. ❑ Provide reporting on aged, open, and closed alerts

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.16	Generate member materials <ul style="list-style-type: none"> <input type="checkbox"/> Welcome letters based on member demographic data <input type="checkbox"/> PCP directories customized for member <input type="checkbox"/> Follow up letters/postcard regarding PCP choice <input type="checkbox"/> PCP assignment notifications <input type="checkbox"/> ID cards and mailers – new and replacement <input type="checkbox"/> Mailing labels on demand by member, and by other parameters such as line of business, age, geographic location, user-specified fields, etc. <input type="checkbox"/> Provide ability to consolidate member mailings/labels by family or head of household <input type="checkbox"/> Provide ability to designate alternate addressees for mailings as appropriate for certain member such as newborns/children, persons in custodial care, etc.
.17	Maintain PCP information by member <ul style="list-style-type: none"> <input type="checkbox"/> Identify who is/is not required to select PCP based on criteria such as line of business, <input type="checkbox"/> Maintain PCP assignments by time period <input type="checkbox"/> Generate provider directories for members that provide information on providers with regard to languages spoken, provisions for handicapped individuals, specialty, etc. <input type="checkbox"/> Automatically assign members that do not choose to a PCP based on various criteria including geographic location, specialty (e.g. pediatrician), and panel capacity <input type="checkbox"/> Allow multiple PCPs in certain situations (such as am acute care PCP and a behavioral health PCP) <input type="checkbox"/> Provide members with capability to choose PCP via the Internet
.18	Generate rosters for PCPs to notify them of their members <ul style="list-style-type: none"> <input type="checkbox"/> Flag adds, changes, and deletes <input type="checkbox"/> Transmit electronically in standard formats or make available on the Internet <input type="checkbox"/> Generate roster on demand as well as on a pre-defined schedule
.19	Provide member management reports including <ul style="list-style-type: none"> <input type="checkbox"/> Monthly enrollment and disenrollment totals by line of business (and/or company code), eligibility rate code, county/zip code, age, gender, and ethnicity <input type="checkbox"/> Reconcile member file on monthly basis using monthly roster file and report discrepancies <input type="checkbox"/> Control reports on member update process showing records added, changed, etc, and exceptions by type <input type="checkbox"/> Member profiles showing demographics, enrollment history, other insurance coverages, change audit trails, and case notes and comments on demand <input type="checkbox"/> Statistical reports on enrollment trends by line of business, eligibility rate code, county/zip code, age, gender, and ethnicity <input type="checkbox"/> PCP summary and detail reports by PCP showing caseloads; identify PCPs with open panels and PCPs with closed panels

2.4.4 Provider Management

The system must provide a Provider management component that maintains accurate and timely information on all fee-for-service Providers. AHCCCS will provide a monthly Provider file at the end of each month of all Providers that are enrolled/active as the first of the next month. AHCCCS will also provide daily Provider updates that includes adds, changes, and deletes/terminations.

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2.4.4	Requirement
.1	Maintain and track Providers by AHCCCS ID and/or NPI
.2	Receive Provider enrollment data electronically from PMMIS/other sources in industry standard formats <ul style="list-style-type: none"> ❑ Process AHCCCS daily and monthly Provider files (see formats on AHCCCS website along with technical interface guide); at a minimum, the AHCCCS daily/monthly Provider files should be used to trigger changes (which may be reported for manual follow up) and as a reference ❑ Allow for current, prospective, and retroactive Provider enrollments ❑ Maintain historical Provider enrollment/disenrollment/change activity information ❑ Ability to add an unregistered Provider for Medicare Crossover claims ❑ Automatically assign Provider to appropriate line(s) of business, when possible based on user-defined criteria; note Providers may be in multiple lines of business ❑ Provide means to update Provider information that is common to all lines of business once versus requiring this information to be put in for each line of business
.3	Maintain audit trail of all changes to Provider information <ul style="list-style-type: none"> ❑ Include date/time stamp ❑ Distinguish electronic updates from manual updates by staff ❑ Track before/after images for key fields
.4	Link Provider to: <ul style="list-style-type: none"> ❑ Multiple names/addresses by line(s) of business ❑ Multiple tax ID numbers by line of business ❑ Different service locations by line of business ❑ Different allowable/billable service types/benefits by line of business ❑ User-defined categories of service ❑ Group billing affiliation(s) ❑ Network affiliation(s); Providers may be in multiple networks
.5	Maintain PCP information <ul style="list-style-type: none"> ❑ Identify who may and may not be designated as a PCP based on criteria such as provider specialty by line of business ❑ Track Provider assignment/capacity/scope limits
.6	Provide for: <ul style="list-style-type: none"> ❑ Fields to accommodate user-defined information ❑ Utilize user-defined fields in processing logic for edits, reporting, etc. ❑ Comment/text fields that are indexed by type, date, and user ❑ Flags based on user-defined criteria such as hold all payments and pend claims or certain services for review ❑ Provider alerts/reminders/tickers based on user-defined criteria ❑ Means of categorizing providers by type of provider (transpiration, school, public health clinic, physician, hospital, etc.) and specialty (internal medicine, dermatologist, gerontologist, etc.) and track this by effective dates ❑ Maintain CLIA certifications for independent laboratories
.7	Support online inquiry access to Provider information across lines of business <ul style="list-style-type: none"> ❑ Filter/screen sensitive information based on user's security level of access ❑ Provide Provider information by various criteria -- full/partial name, specialty, line of business, county, IDs (AHCCCS, NPI, Medicare ID, license number, etc.), provider type/specialty, etc. ❑ Provide capability to search by "sounds like" name or partial name


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2.4.4	Requirement
.8	Generate Provider materials <ul style="list-style-type: none"> <input type="checkbox"/> Allow for PCP assignment notifications <input type="checkbox"/> Allow for automatically generated correspondence based on user-defined criteria <input type="checkbox"/> Allow for mailing labels to be generated on demand by Provider, and by other parameters such as line of business, geographic location, etc. <input type="checkbox"/> Provide ability to consolidate Provider mailings/labels by address <input type="checkbox"/> Provide ability to designate alternate addressees for mailings as appropriate for certain Providers <input type="checkbox"/> Provider directories for members by line of business <input type="checkbox"/> Generate alerts/reports for annual “recertification”/re-enrollment
.9	Maintain user-defined, Provider-specific payment rates <ul style="list-style-type: none"> <input type="checkbox"/> Identify Provider payment methodology by type of service and/or procedure code by line of business <input type="checkbox"/> Identify unique Provider payment rates by type of service and/or procedure code, tier rate, or DRG, by line of business <input type="checkbox"/> Allow unlimited numbers of fee schedules and reimbursement methodologies tied to Providers
.10	Generate Provider rosters <ul style="list-style-type: none"> <input type="checkbox"/> Flag adds, changes, and deletes <input type="checkbox"/> Transmit electronically in standard formats or make available on the Internet <input type="checkbox"/> Generate roster on demand as well as on a pre-defined schedule
.11	Generate Provider Management reports such as: <ul style="list-style-type: none"> <input type="checkbox"/> PMPM expense by PCP <input type="checkbox"/> PMPM expense by Provider type <input type="checkbox"/> Provider report cards <input type="checkbox"/> Service utilization by Provider <input type="checkbox"/> Provider statistics including number of claims paid, pending, denied and corresponding dollar amounts by specific time period (monthly, quarter, year to date, etc.) <input type="checkbox"/> Pending claims by error/edit code

2.4.5 Prior Authorization

The system must provide a Prior Authorization component that maintains accurate and timely information on all fee-for-service Prior Authorizations.

2.4.5.	Requirement
.1	Maintain and track Prior Authorizations by automatically generated Prior Authorization numbers
.2	Maintain and track Prior Authorizations by line of business
.3	Maintain audit trail of all changes to Prior Authorization information with date/time stamp and distinguished electronic updates (from AHCCCS) from manual updates by staff
.4	Edit prior authorization requests to ensure member eligible, provider eligible, benefit covered, units/dollars or other limitations not already exceeded, and other basic “claim” edits pass (such as valid service for type of provider, procedure/modifier combination valid, passes age and sex restrictions, etc.)


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2.4.5.	Requirement
.5	Provide capability to automatically match the appropriate Prior Authorization to claims during adjudication process
.6	Provide ability to adjust Prior Authorizations based on adjustments and recoupments
.7	Provide for: <ul style="list-style-type: none"> <input type="checkbox"/> Fields to accommodate user-defined information <input type="checkbox"/> Comment/text fields that are indexed by type, date, and user <input type="checkbox"/> Flags based on user-defined criteria <input type="checkbox"/> Prior Authorization alerts/reminders/tickers based on user-defined criteria
.8	Support online inquiry access to Prior Authorization information across lines of business <ul style="list-style-type: none"> <input type="checkbox"/> Filter/screen sensitive information based on user's security level of access <input type="checkbox"/> Provide Prior Authorization information by various criteria – Provider full/partial name, type of service, specialty, line of business, etc.
.9	Support on-line data entry of Prior Authorization information across lines of business <ul style="list-style-type: none"> <input type="checkbox"/> Allow on-line entry of initial requests for Prior Authorizations <input type="checkbox"/> Allow on-line entry of updates to requests for Prior Authorizations
.10	Allow for Prior Authorizations to be based on: <ul style="list-style-type: none"> <input type="checkbox"/> Procedure code ranges rather than specific codes <input type="checkbox"/> Date ranges rather than specific dates <input type="checkbox"/> Diagnosis code ranges rather than specific diagnosis codes <input type="checkbox"/> Different service settings at different, user-defined rates
.11	Calculate automatically and record the number of visits/services/units authorized, used, unused, and expire
.12	Maintain history of Prior Authorizations by Member, Provider, and service type
.13	Generate automatically user-defined Prior Authorization correspondence such as: <ul style="list-style-type: none"> <input type="checkbox"/> Allow for automatically generated correspondence based on user-defined criteria <input type="checkbox"/> Produce user-defined denial letters as appropriate <input type="checkbox"/> Allow for mailing labels to be generated on demand by Prior Authorization
.14	Allow for user-defined Prior Authorization-specific payment rates
.15	Generate Prior Authorization management reports


2.4.6 Claims

AHCCCS is seeking a claims processing system solution that is highly parameterized and configurable to meet AHCCCS' business requirements. AHCCCS believes that most of the business requirements should be able to be met without software modifications. AHCCCS is prepared to make some changes in business practices to adapt to the new system. However, there are certain requirements such as pricing that are set in policy and must be supported by the new system.


2.4.6	Requirement
.1	System must support hard copy and electronic entry of claims <ul style="list-style-type: none"> <input type="checkbox"/> Support current and future versions of standard HIPAA electronic formats for claims (837 transaction and NCPDP) and code sets including replacement claims with no restrictions on number of claims per submission <input type="checkbox"/> Accept electronic claims directly from providers and from clearinghouses or AHCCCS'

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2.4.6	Requirement
	front end validation process <input type="checkbox"/> Support electronic formats for standard attachments <input type="checkbox"/> Provide for multiple versions of electronic formats (old & new) when new version released to allow for phase-in period for new version <input type="checkbox"/> Provide means of data entry for all standard hard copy claims forms; data entry screens should be designed to follow the form <input type="checkbox"/> Provide providers, health plans, and other agencies with online data entry capability via Internet for all standard forms
.2	Support up to 999 lines per claim throughout the system
.3	Provide input controls <input type="checkbox"/> Assign unique claim control numbers and tag claims with date of receipt <input type="checkbox"/> Provide means either via batch number ranges in the claim control number or other fields to distinguish various types of claims <input type="checkbox"/> Utilize claim control numbers that are assigned to hard copy claims manually or by AHCCCS' imaging system <input type="checkbox"/> Provide input control reports and account for all input by type and source of input <input type="checkbox"/> Tag claims as to input type (hard copy vs. electronic) and source (AHCCCS data entry, provider direct entry, third party biller or clearinghouse, provider submitted electronic billing, etc.) <input type="checkbox"/> Verify provider and provider's agent if applicable is "certified" to submit claims electronically
.4	Provide ability to attach (cross reference) scanned documents such as original hard copy claims, attachments, supplementary documentation, correspondence, and adjustment requests to the claim record <input type="checkbox"/> Must be compatible with AHCCCS' current imaging system
.5	Process all claim lines on a single document together throughout
.6	Support real-time, background, and batch claims adjudication for both electronic and hard copy claims
.7	Provide comprehensive and flexible set of system edits with configurable parameters and other criteria <input type="checkbox"/> Allow user to set edit disposition (pay, pay and report, pend, deny, test, "turned off", etc.) by claim type (electronic vs. hard copy) and source (AHCCCS data entry, provider direct entry, third party biller or clearinghouse, provider submitted electronic billing, etc.) <input type="checkbox"/> Allow user to configure edits via parameters such as provider type, service categories, line of business, health plan, Medicare/non-Medicare, member rate code, other member characteristics including user-defined fields, etc..... <input type="checkbox"/> Allow user to specify if edit is "overrideable" and if so by what level of staff (claims adjudicator, supervisor, medical review, Medical Director, etc.) <input type="checkbox"/> Allow user to specify effective dates for edit parameters and specify as to whether edit is effective based on date of service or date of receipt or both <input type="checkbox"/> Allow user to associate edit with "denial reason" code that will trigger the appropriate message to the provider on the remittance advice <input type="checkbox"/> Provide report/screens of edits and edit parameters <input type="checkbox"/> Maintain audit trails of changes to edits/edit criteria

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2.4.6	Requirement
.8	<p>Basic system edits/audits must support AHCCCS benefit/coverage definitions and AHCCCS policies and include</p> <ul style="list-style-type: none"> <input type="checkbox"/> Field edits (presence, format, and valid values) <input type="checkbox"/> Code validation edits <input type="checkbox"/> Checks for consistency between fields such as date of service prior to claim receipt date, detail charges equal total claim charges, and filing limitations <input type="checkbox"/> Member eligibility <input type="checkbox"/> Provider eligibility <input type="checkbox"/> Checks that provider is also “certified” to bill specific services and/or form type (UB-92, CMS 1500, etc.) <input type="checkbox"/> Duplicate and suspect/potential duplicate checks taking into account provider type/specialty and modifier codes <input type="checkbox"/> Support edits to restrict services by age gender, user-defined member flags, etc. <input type="checkbox"/> Support edits that check procedure to modifier, place of service, type of provider, provider specialty, etc. <input type="checkbox"/> Identify services requiring prior authorization and verify that authorization exists and has not been “used up” <input type="checkbox"/> Check for other coverage including Medicare based on the service and the type of coverage; for example, if service is dental service and other coverage is drug coverage, then claim should not be flagged as suspect other insurance; provide parameters for users to define what is/is not covered under different parts of Medicare (A, B, etc.) <input type="checkbox"/> Verify independent labs are certified based on their CLIA number for the services provided; maintain tables that indicate which specialties, subspecialties are required for each laboratory procedure
.9	<p>Comprehensive edits also to include</p> <ul style="list-style-type: none"> <input type="checkbox"/> Checks for bundling and unbundling of services and services that should be included in a global rate such as global pregnancy fee <input type="checkbox"/> Pre and post procedure days <input type="checkbox"/> Coverage of benefits by line of business and by other user-defined fields <input type="checkbox"/> Coordination of benefits with third party payers including Medicare <input type="checkbox"/> Potential duplicates across form and provider types (e.g. outpatient hospital versus DME supplier, nursing home versus home and community based care), and on related or similar procedures or services <input type="checkbox"/> Allow users to specify the fields to be included in duplicate checks including specifying when a claim is/isn’t a duplicate of a previously denied claim <input type="checkbox"/> Allow for different handling of duplicates/potential duplicates when on same claim versus current claim and another pended claim versus current claim and another paid or denied claim <input type="checkbox"/> Perform audits to validate services as appropriate for diagnosis <input type="checkbox"/> Perform audits to validate services as appropriate/consistent with other services performed

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.10	Provide user-configurable service limitations for number of services (units/days) and/or dollar amount <ul style="list-style-type: none"> ❑ Allow users to configure service limitations by service or groups of services ❑ Allow users to define service limitation period (per x days, x months, calendar year, year based on enrollment anniversary, lifetime, etc.) ❑ Allow for preset time periods and rolling or sliding time periods (preset = per day or per month; rolling = last 6 months; sliding = any 6 month period) ❑ Provide inquiry access to status of limits (units used, units available) by member and link to specific claims that have added to each limit
.11	Allow user to specify criteria for definition of “clean claim” based on passing certain edits <ul style="list-style-type: none"> ❑ Identify clean claims ❑ Capture date that claim becomes “clean” ❑ Report claims cycle times based on date of receipt and based on clean claims date
.12	Maintain member accumulators for deductibles, co-payments, life time limitations, out-of-pocket expenses, share of cost, etc. and validate claims against accumulators
.13	Support efficient data entry of hard copy claims from paper and from images <ul style="list-style-type: none"> ❑ Provide entry screens for all standard form types (UB-92, ADA, Drug, CMS 1500, etc.) and any custom form types ❑ Utilize minimum number of screens for entry ❑ Allow user to specify which edits are performed at data entry (versus later claims adjudication) ❑ Allow users to override some edits at entry and to specify which attachments are present ❑ Allow users to deny claims or detail lines at data entry ❑ Allow provider direct entry via Internet and allow user to specify which edits are performed for provider direct entry
.14	Support efficient claims correction process <ul style="list-style-type: none"> ❑ Queue claims based on edit hierarchy into various queues for resolution (e.g. eligibility errors, provider errors, pricing errors, medical policy reviews, etc.) ❑ Allow users to cutback and deny dollars and units at both claim and detail level ❑ Allow users to enter industry standard codes (CARCs) and/or informational EOB codes and denial/cutback reason codes at claim and detail level ❑ Allow providers to correct claims via Internet – note that providers will only be able to correct fields that they entered ❑ Allow providers to easily void and replace paid claims via Internet ❑ Clearly display all errors that claims have failed and indicate likely fields causing errors ❑ Capture claim control numbers of claim(s) involved in duplicate checks, history-related audits, and limitation edits and display in FIFO order
.15	Support automatic generation of letters/emails for certain conditions such as a request for medical record
.16	Support all AHCCCS pricing methodologies based on line of business, type of provider, specific provider, type of service, specific service, etc. including <ul style="list-style-type: none"> ❑ AHCCCS inpatient tiered per diem system ❑ AHCCCS outpatient prospective payment system ❑ Special logic as required for out-of-state providers ❑ DRGs (industry standards and payer-specific)

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	<ul style="list-style-type: none"> <input type="checkbox"/> APCs <input type="checkbox"/> Medicare and AHCCCS Ambulatory Surgery Codes (ASC) rates <input type="checkbox"/> Fee schedules with indicators for cut back to fee amount and pay, pay billed up to maximum amount, or pend for manual price <input type="checkbox"/> Adjustments to fees based on modifiers <input type="checkbox"/> Special logic for pricing multiple procedures (including surgeries) for the first service versus the second, third, etc.; capability to identify the primary or major services based on RVUs, price, or other user-specified criteria <input type="checkbox"/> Contracted and negotiated rates by service and provider <input type="checkbox"/> Provider discounts or adjustments to billed based on cost-to-charge ratios <input type="checkbox"/> Global rates for groups of services (emergency room visits, global pregnancy, etc.) <input type="checkbox"/> Drug pricing at AWP (from multiple sources – Red Book, First Data, etc.) or percentage of AWP plus dispensing fee, MAC (note dispensing fee can vary by provider, cost of drug, type of drug such as brand or generic); application of appropriate co-pay (tiered) based of drug or other criteria; ability to price at generic unless brand required; <input type="checkbox"/> AHCCCS methodology for pricing dialysis services as well as Medicare methodology
.17	Allow users to define services/conditions that require manual pricing and then pend claims for manual pricing based on this criteria <ul style="list-style-type: none"> <input type="checkbox"/> Allow users to cutback or deny units/days <input type="checkbox"/> Allow users to input manual price amount <input type="checkbox"/> Allow users to specify a percent of billed to be paid or a percentage of the allowed (priced) amount
.18	Support pricing logic to include the following in computing the final payments <ul style="list-style-type: none"> <input type="checkbox"/> Quick pay discounts <input type="checkbox"/> Slow pay penalties <input type="checkbox"/> Provider discounts <input type="checkbox"/> Deductibles <input type="checkbox"/> Co-payments <input type="checkbox"/> Share of cost <input type="checkbox"/> Other insurance payments <input type="checkbox"/> Lesser of AHCCCS allowed amount or (Medicare deductible plus co-payment amount) and other AHCCCS-specific logic for Medicare crossover claims (see Bidders' Library)
.19	Recycle claims through edits/audits and pricing based on user-configurable criteria such as specific edit, range of edits, age in "location," age in system, date of submission, process date, line of business, member, provider, etc.
.20	Maintain audits trails showing <ul style="list-style-type: none"> <input type="checkbox"/> Status history of all of the different statuses that the claims processed through – entered, pended, approved to pay/deny, paid, adjusted, refunded, voided <input type="checkbox"/> History of all the edits failed and the disposition of each – denied, cutback, cleared/corrected, overridden, etc. <input type="checkbox"/> History of all the edits applied to the claim including the date each edit was performed and status of each – pass, fail/pend, deny, test, pay and review on post payment basis, etc. <input type="checkbox"/> Corrections/field changes for all fields including before image, date/time, user ID

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.21	Provide for comments/free form text <ul style="list-style-type: none"> ❑ Identify comments by type – general, adjudication, medical review, provider inquiries, adjustments, etc. ❑ Capture date/time of comment and user ID ❑ Maintain status – open, closed/completed, deleted, etc. ❑ Do not allow comments to be changed after they are entered ❑ Spell check comments
.22	Support automatic and manual alerts <ul style="list-style-type: none"> ❑ Automatically generate alerts base on user-defined criteria such as age in “location” ❑ Route alerts to various queues or users based on type of alert ❑ Allow users to enter/trigger manual alerts ❑ Track date/time, source, and status of each alert
.23	Process voids and adjustments and refunds <ul style="list-style-type: none"> ❑ Support processing of electronic and hard copy replacement claims by voiding original and reprocessing replacement ❑ Allow users to adjust claims by “correcting” the original and reprocessing it; system should change status of original to voided or replaced and cross reference the original to the new claim and vice versa ❑ Allow users to void claims ❑ Allow users to apply refunds to specific claims and at the provider level
.24	Provide ability to generate mass adjustments with a single transaction when rates have changed, system errors have been corrected, other reference data affecting payment has been updated, policy changes are retroactive, eligibility has been updated, etc. <ul style="list-style-type: none"> ❑ System should automatically generate the necessary void and replacement claims; update the statuses and the cross references to the other claim ❑ User should be able to specify various criteria for the mass adjustments including time period (date of service or date of payment ranges), type of claims (inpatient, physician, etc.) type of provider, specific provider, specific recipient, service (range of services or specific service), edit/denial reason, check number range, etc. ❑ Allow for void and replace or just void and recoup ❑ Allow for user to specify if certain edits are to be automatically overridden on the replacement claim ❑ Allow user to specify amount of adjustment (e.g. additional amount/flat fee, % of original allowed amount or payment – negative or positive) ❑ Automatically generate a note or comment attached to the original and to the replacement claim to document the reasons for the adjustment ❑ Allow user to specify the CARC and/or information EOB code that is attached to the voided claim and to the replacement claim that will generate an appropriate message on the EOB for the provider ❑ Provide detail and summary reports on request to document each mass adjustment that includes the criteria for the mass adjustment, the number of claims adjusted, the dollars involved, and the specific claims adjusted (on the detail report) ❑ Allow for mass adjustments of previous voids – void to be “backed out” and claim to be reprocessed and potentially repaid
.25	Provide ability to re-price and/or re-edit claims <ul style="list-style-type: none"> ❑ Allow users to specify selection criteria for claims to be included ❑ Output results in detail file/spreadsheet along with summary report
.26	Compute final claims payment and recoupment amounts

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	<ul style="list-style-type: none"> <input type="checkbox"/> Generate payment interface file to be sent to AHCCCS Oracle financial system with necessary accounting information including calculation of state and federal share of payments and recoupments <input type="checkbox"/> Provide ability to “stage” payments based on user-specified criteria such as line of business, type of claim or form type, provider type, provider, financial or fund code, availability of funds, etc. and transmit claims to AHCCCS Oracle financial system based on staging criteria <input type="checkbox"/> Generate electronic remittance advices in industry standard format (835) for providers accepting electronic formats <input type="checkbox"/> Generate hard copy detailed remittance advices for providers not accepting electronic formats and make available on the Internet <input type="checkbox"/> Combine all payments for a provider across all lines of business into a single remittance
.27	Provide for generation of letters/correspondence <ul style="list-style-type: none"> <input type="checkbox"/> Automatically generate letters based on certain user-specified criteria such as missing attachments, need for medical records, etc. <input type="checkbox"/> Allow for pre-define letters and paragraphs with variable (field) inserts as well as allowing for user-entered text; spell check all variable text <input type="checkbox"/> Maintain complete audit trail of all correspondence generated and be able to reproduce any letter <input type="checkbox"/> Allow for electronic mailing (email) of correspondence to providers
.28	Provide for online inquiry of claims <ul style="list-style-type: none"> <input type="checkbox"/> Ability to inquire by specific claim, recipient, provider, etc. <input type="checkbox"/> Ability to filter queries by dates of service, receipt, payments <input type="checkbox"/> Ability to filter queries by claim type, line of business, type of service, claim status, etc. <input type="checkbox"/> Inquiry screens should show maximum of data on minimum number of screens
.29	Provide regular and ad hoc claims reporting capability <ul style="list-style-type: none"> <input type="checkbox"/> Produce statistics on number of claims paid, denied, and pending and total dollars by line of business; show totals for each type of claim and distinguish original claims versus voids versus replacement/adjustment claims <input type="checkbox"/> Produce statistics on denials and cutbacks showing number and amount of claims denied and cutback by reason code <input type="checkbox"/> Generate paid claim cash requirements report for each payment cycle <input type="checkbox"/> Produce statistics on claims pending by edit and by provider, and type of claim (hospital, physician, etc.) <input type="checkbox"/> Produce reports showing number of overridden edits by edit code and by user ID <input type="checkbox"/> Produce error analysis reports showing most frequent errors, providers with highest error rates compared to average, etc. <input type="checkbox"/> Produce inventory reports showing age of pending claims, average cycle times (receipt to final disposition for clean claims and nonclean claims) average age in location, etc.
.30	Provide variables for user-defined queries <ul style="list-style-type: none"> <input type="checkbox"/> Variables to include claim status, dates of service, dates of receipt, dates of payment, specific provider, type of provider, specific member, type of service, type of claim, specific service or range of services, specific diagnosis or range of diagnoses, EOB code(s), edit/audit code(s), line of business, etc. <input type="checkbox"/> Query to generate online report or extract file that can be downloaded


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.31	The system must capture and maintain all data elements required to support Federal reporting requirements based on data from claim records are met (e.g. family planning, sterilizations, hysterectomies, pregnancies, immunizations, EPSDT).
.32	Maintain and track Concurrent Reviews by automatically assigned Concurrent Review numbers
.33	Maintain audit trail of all changes to Concurrent Review information with date/time stamp
.34	Provide for Concurrent Review system with ability to: <ul style="list-style-type: none"> <input type="checkbox"/> Prompt by diagnosis code or procedure code to automatically refer for concurrent review <input type="checkbox"/> Monitor and track concurrent review due date
.35	Allow for ability to provide continued stay approval based on: <ul style="list-style-type: none"> <input type="checkbox"/> Line of business <input type="checkbox"/> Provider eligibility <input type="checkbox"/> Member eligibility <input type="checkbox"/> Coverage based on procedure and/or place of service <input type="checkbox"/> Service limitations <input type="checkbox"/> COB information <input type="checkbox"/> Service and setting appropriateness <input type="checkbox"/> Severity/intensity indicators/protocols
.36	Allow for documentation of discharge plan
.37	Provide for: <ul style="list-style-type: none"> <input type="checkbox"/> Fields to accommodate user-defined information <input type="checkbox"/> Comment/text fields that are indexed by type, date, and user <input type="checkbox"/> Flags based on user-defined criteria <input type="checkbox"/> Concurrent Review alerts/reminders/tickers based on user-defined criteria
.38	Support on-line data entry of Concurrent Review information across lines of business
.39	Maintain history of Concurrent Reviews by Member, Provider, and service type
.40	Generate Concurrent Review correspondence and materials <ul style="list-style-type: none"> <input type="checkbox"/> Allow for automatically generated correspondence based on user-defined criteria <input type="checkbox"/> Allow for mailing labels to be generated on demand by Concurrent Review
.41	Generate Concurrent Review Management reports
.42	System must maintain a minimum of two years of claims history that is available for online, real time access and a minimum of five years of claims history total that is available for reporting.


2.4.7 Premium Billing

The system must provide a premium billing component that maintains accurate and timely information on all premium rates, payments received, and outstanding balances. Also, it must allow provider to generate reports on a routine and ad hoc basis


2.4.7	Requirement
.1	Provide flexible premium billing capability that includes <ul style="list-style-type: none"> <input type="checkbox"/> User-specified cycles for initial billings and follow up billings <input type="checkbox"/> User-specified criteria for lapsing eligibility on delinquent accounts <input type="checkbox"/> Ability to void payments and provide audit trails <input type="checkbox"/> Ability to transfer payments

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2.4.7	Requirement
	<input type="checkbox"/> Ability to generate and post manual bills
.2	Provide necessary interfaces with member/eligibility files including AHCCCS recipient system, ACE, KidsCare, and potentially HCG to obtain/maintain member premium amounts HCG to obtain/maintain member premium amounts; note if premium billing component is selected, these interfaces may more appropriately be part of member management
.3	Maintain detailed premium billing and payment history and provide flexible inquiry by various parameters and combination of parameters including <ul style="list-style-type: none"> <input type="checkbox"/> Member ID <input type="checkbox"/> Member name or partial name <input type="checkbox"/> Case (family unit) <input type="checkbox"/> Check number <input type="checkbox"/> Date range <input type="checkbox"/> Check amount <input type="checkbox"/> Type of payment Show billed amounts, payments, and balances by member and by family unit/case
.4	Cross reference information <ul style="list-style-type: none"> <input type="checkbox"/> Provide cross references between AHCCCS ID and SSN <input type="checkbox"/> Show all members in a case or family unit <input type="checkbox"/> Show all members in a group
.5	Provide user-friendly inquiry capability <ul style="list-style-type: none"> <input type="checkbox"/> Utilize minimum number of screens to provide information to answer common questions and support most frequent kinds of research <input type="checkbox"/> Provide means to easily navigate from screen to screen providing such features as allowing user to “click” on the premium billed to see the payments that have been received or “click” on the payments and see the corresponding premium that was billed
.6	Lapse eligibility based on delinquent accounts – criteria to vary based on user-specified parameters such as benefit plan, line of business, etc. <ul style="list-style-type: none"> <input type="checkbox"/> Generate reports/alerts for delinquent accounts where eligibility is about to lapse <input type="checkbox"/> Generate adverse action notices to members on delinquent accounts that are about to lapse
.7	Flag members (families) with outstanding account receivables and generate reports/alerts if new eligibility updates are added to the member file <ul style="list-style-type: none"> <input type="checkbox"/> Flag member ID of all members on case that has delinquent account receivable <input type="checkbox"/> Generate applicable adverse action notices to members 30-days prior to action <input type="checkbox"/> Generate report/alert if any member of the family/case has new eligibility added to the member file after eligibility has been terminated due to lapsed account under same or different ID number
.8	Consolidate bills and notices by family unit/case
.9	Post payments received from various sources including <ul style="list-style-type: none"> <input type="checkbox"/> Lock box transactions <input type="checkbox"/> ACH direct deposit transactions in standard NACHA format/Check free <input type="checkbox"/> Manually entered checks <input type="checkbox"/> Scanned or bar coded check entry <input type="checkbox"/> Credit/debit card transactions
.10	Recognize returned payments for insufficient funds (NSF) <ul style="list-style-type: none"> <input type="checkbox"/> Flag account for member/family unit/case to indicate that cashier’s check or money order is required for subsequent payments for a user-specified period (such as six months)

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2.4.7	Requirement
	<input type="checkbox"/> Post associated fees to account <input type="checkbox"/> Indicate account status on subsequent bills and requirements for cashier's checks/money order for payment <input type="checkbox"/> Provide means to re-bill
.11	Reverse payments applied including those transferred to other programs
.12	Calculate billing amounts <input type="checkbox"/> Accommodate prorating of bills based on beginning/ending eligibility dates <input type="checkbox"/> Add enrollment fees to bills, if applicable, based on user-specified criteria <input type="checkbox"/> Provide capability to calculate interest on late accounts <input type="checkbox"/> Consider adjustments, partial payments, overpayments, and roll forward amounts owed
.13	Prorate partial payments for family units/case and post prorated amounts to each member based on a hierarchy (which may vary by line of business/company code/other criteria) of how to distribute the payment
.14	Generate detailed billings to members/family unit/case <input type="checkbox"/> Allow for special messages based on status of account such as "Do not send payment – automatic payment" <input type="checkbox"/> Clearly reflect partial payments or overpayments on the next bill <input type="checkbox"/> Vary format of bill/statements based on line of business/company code preferably using user-defined templates
.15	Generate reports of overpayments based on user-specified criteria such as amount of overpayment, eligibility termination, age of overpayment, etc. and allow users to refund overpayment
.16	Post payments and any adjustments to the correct financial account codes/funding sources including transferred dollars to another program
.17	Provide for comments/free form text <input type="checkbox"/> Allow user to associate comments to specific financial transactions (e.g. a refund or a lien) <input type="checkbox"/> Capture date/time of comment and user ID. <input type="checkbox"/> Do not allow comments to be changed after they are entered
.18	Support automatic and manual alerts <input type="checkbox"/> Automatically generate alerts base on user-defined criteria such as aged open account receivables over a certain number of days <input type="checkbox"/> Route alerts to various queues or user based on type of alert <input type="checkbox"/> Allow users to enter/trigger manual alerts <input type="checkbox"/> Track date/time, source, and status of each alert
.19	Provide summary and detailed reports including <input type="checkbox"/> Total billed (number of members, premium dollars, fees by type of fee) split out by line of business or company code, other member categorizations, first or subsequent billing for each cycle, financial accounting code/funding source, etc. <input type="checkbox"/> Total payments received (number of members, premiums, fees by type of fee) split out by line of business or company code, other member categorizations, type of payment (credit card, check, ACH, etc.), financial accounting code/funding source, etc. <input type="checkbox"/> Show total billed and total received by other categorizations including FPL match level and geographic area <input type="checkbox"/> Detailed billing and payment history reports by member <input type="checkbox"/> Aged accounts receivable by line of business or other member categorization and user


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2.4.7	Requirement
	selection parameters <ul style="list-style-type: none"> <input type="checkbox"/> Cumulative statistics on monthly billings and payments and lapsed accounts split out by line of business or company code, other member categorizations, type of payment (credit card, check, ACH, etc.), financial accounting code/funding source, etc. <input type="checkbox"/> Billing and payment trends over time including payment cycle time, average monthly billings, average monthly payments, average number of eligibility terminations due to delinquent accounts split out by line of business or company code. Other member categorizations including federal poverty level or household income, financial accounting code/funding source, etc. <input type="checkbox"/> Detailed general journal entries by financial accounting code/funding source
.20	Support ad hoc reporting requests
.21	Provide interfaces to current systems including <ul style="list-style-type: none"> <input type="checkbox"/> Post account receivables and payments to Oracle financials <input type="checkbox"/> Send accounting transactions to AFIS <input type="checkbox"/> Update data warehouse with billing and payment information


2.4.8 Financial

Initially, AHCCCS requires that the new claims system interface with the agency's current ORACLE financial system. The requirements for this interface are described in the Claims subsection. In the future, AHCCCS plans to replace the ORACLE financial system. Consequently, AHCCCS would like the bidders to describe their capabilities for meeting the requirements presented below. Note a financial package with the following capabilities:


2.4.8	Requirement
*.1	Provide for payment, receivable, and accounting system that is highly integrated with the claims processing system <ul style="list-style-type: none"> <input type="checkbox"/> Payment information such as check or control number, payment date, financial coding, etc. must be posted back to the claims history <input type="checkbox"/> Generate hard copy checks or EFT transfers (in standard NACHA format) based on information on the provider/offendor files <input type="checkbox"/> Allow users to set payment cycles based on various criteria including types of claims, types of providers, specific providers, line of business, financial accounting code/funding source, etc. <input type="checkbox"/> Provide ability to consolidate payments to a single tax ID/EIN across lines of business and across multiple provider IDs <input type="checkbox"/> Provide industry standard financial and accounting controls <input type="checkbox"/> Allow users to specify separate bank accounts for payments and associate bank account with line of business or company code
.2	Provide user-configurable means to specify specific financial coding structure <ul style="list-style-type: none"> <input type="checkbox"/> Coding structure must map to agency's chart of accounts based on effective date; coding structures may vary by line of business/company code <input type="checkbox"/> Financial codes must be applied to payments and financial transactions based on date of payment <input type="checkbox"/> Payments for services may be split between financial codes/funding source <input type="checkbox"/> System must be able to track payments by funding source (state, federal, local/other, etc.)

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2.4.8	Requirement
.3	Maintain information on offerors (providers and other payees) including <ul style="list-style-type: none"> <input type="checkbox"/> Type of payments – hard copy checks or EFT <input type="checkbox"/> Bank account numbers for offerors receiving EFT <input type="checkbox"/> Type of remittance advice – hard copy or electronic (in industry standard formats)
.4	Allow for non-claims based payment to providers, other agencies, offerors, manual checks, advance payments (these should set up an account receivable), etc.
.5	Provide controls for printing hard copy checks including means to account for all check numbers, cross reference internal and external check numbers, align forms, and test print options and formats
.6	Provide means to “link” adjustments/additional payments to claims when payments are made separately and not via a specific claims adjustment (negotiated settlements, lump sum rate increases, TPL collections, etc.)
.7	Support accounting and reporting of expenditures for multiple state and federal fiscal periods and by date of payment and by date of service
*.8	Provide ability for users to specify funds available by financial code/chart of accounts <ul style="list-style-type: none"> <input type="checkbox"/> Track payments against available funds <input type="checkbox"/> Suspend/hold payments when no funds available
.9	Reflect adjustments to historical expenditures into the appropriate period; adjustments should be made to the period associated with the original date of payment
*.10	Provide for offsets and recoupments <ul style="list-style-type: none"> <input type="checkbox"/> Automatically set up account receivables based on voided claims and recoup from current and future payments <input type="checkbox"/> Allow users to void lost or stolen checks and specify whether or not check is to be reissued; update claims history accordingly <input type="checkbox"/> Update account receivables based on monies refunded and returned checks; update claims history accordingly <input type="checkbox"/> Allow users to set up offsets for settlements, liens, garnishments, etc. and track \$\$ by type of offset; apply payments to offsets based on a user-specified hierarchy <input type="checkbox"/> Allow users to specify whether or not future claims payments or portions of future claims payments (10%, flat dollar amount, etc.) should be applied to outstanding balances <input type="checkbox"/> Allow users to put payments on “hold” for providers/offerors <input type="checkbox"/> Provide ability to report all detail activity against an account receivable balance for a specific time period <input type="checkbox"/> Allow providers/offerors to submit payments to offset their open account receivables <input type="checkbox"/> Allow users to specify whether receivable is across all lines of business or specific to specific lines of business/company codes <input type="checkbox"/> Allow for transferring account receivable balances to different providers/offerors such as for ownership changes

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.11	Reconcile payments with bank recon files <ul style="list-style-type: none"> <input type="checkbox"/> Process cleared check file from bank and post check history accordingly <input type="checkbox"/> Automatically state date aged open checks update claims history accordingly <input type="checkbox"/> Generate reconciliation report showing all discrepancies <input type="checkbox"/> Provide means to correct discrepancies
.12	Provide for comments/free form text <ul style="list-style-type: none"> <input type="checkbox"/> Allow user to associate comments to specific financial transactions (e.g. a refund or a lien) <input type="checkbox"/> Capture date/time of comment and user ID. <input type="checkbox"/> Do not allow comments to be changed after they are entered <input type="checkbox"/> Spell check comments
*.13	Support automatic and manual alerts <ul style="list-style-type: none"> <input type="checkbox"/> Automatically generate alerts base on user-defined criteria such as aged open account receivables over a certain number of days, single payments over a certain dollar amounts, etc. <input type="checkbox"/> Route alerts to various queues or user based on type of alert across subsystems/components (e.g. financial back to claims) <input type="checkbox"/> Allow users to enter/trigger manual alerts <input type="checkbox"/> Track date/time, source, and status of each alert
.14	Provide industry standard accounting and financial controls including <ul style="list-style-type: none"> <input type="checkbox"/> Separate offeror information to limit access to a “need to know” <input type="checkbox"/> Control updates and provide comprehensive audit trails <input type="checkbox"/> Track all transactions and provide complete accounting and balancing reports
.15	Provide capability to set up estate recoveries and track receipts
.16	Provide capability to charge interest on aged accounts receivable and track and report interest payments received separately from other payments received
.17	Generate annual file (test file in December and final file in January) to send to Department of Administration with information for generating the 1099s, 1098s, and W2s
.18	Provide capability to process HIP Payments
.19	Generate credit balance reports <ul style="list-style-type: none"> <input type="checkbox"/> Base on user-specified criteria such as amount outstanding and age of account receivable <input type="checkbox"/> Produce initial and final bills to provider/offeror using user-defined templates for outstanding account receivables
*.20	Provide comprehensive financial and accounting reports that support all AHCCCS and federal reporting requirements including <ul style="list-style-type: none"> <input type="checkbox"/> Payment register for each bank account with capability to split out by financial chart of account codes, funding source, line of business, provider type, provider/offeror, hard copy vs. EFT, etc. <input type="checkbox"/> Provide summary information required for drawing down state and federal funds <input type="checkbox"/> Track expenditures by accounting period as well as other user-specified periods such as contract period showing original expenditures (payments, voids, adjustments, recoupments, refunds, etc.) in each period as well as showing the period to which the void/adjustment/recoupment/refund applies <input type="checkbox"/> Open account receivables with capability to select and sort by age, amount, line of business, provider, type of provider, type of receivable, etc. <input type="checkbox"/> Expenditure information for generation of CMS-64 reports
.21	Produce summary general journal and detailed transaction reports based on user-specified criteria


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	including financial accounts/funding sources, types of transactions (payments, voids, etc.), date(s) of payment, line of business or company codes, etc.
.22	Provide capability to generate ad hoc reports and file extracts base on flexible selection parameters (and combination of parameters) including <ul style="list-style-type: none"> <input type="checkbox"/> Date(s) of payment, process date(s) <input type="checkbox"/> Check/invoice numbers <input type="checkbox"/> Member IDs <input type="checkbox"/> Provider/offendor IDs or tax IDs/EINs/NPI <input type="checkbox"/> Types of transactions such as open account receivables, payments, refunds, voids, etc


2.4.9 Encounters

After the claims system is functioning, AHCCCS may opt to add encounter processing to the system. AHCCCS receives encounters from all its health plans/program contractors. The encounter system will have to allow the users maximum flexibility and control to determine which edits are to be used in specific circumstances. It will also need to provide reports to show whether health plans/program contractors correct or override errors. The system must capture and maintain any and all data elements required to support Federal reporting requirements.

2.4.9	Requirement
.1	Provide comprehensive and flexible system for processing encounters that mirrors claims processing
.2	Accept electronic and hard copy encounters <ul style="list-style-type: none"> <input type="checkbox"/> Support current and future versions of standard HIPAA electronic formats for claims (837 transaction and NCPDP), code sets, and electronic attachments including capability to process replacement encounters; allow unlimited number of encounters per submission <input type="checkbox"/> Accept encounters from AHCCCS' front end validation process <input type="checkbox"/> Provide means for data entry of encounters by AHCCCS, health plans and other agencies (note that hard copy entry is the exception)
.3	Support up to 999 lines per claim/encounter throughout the system and process all lines together as a "document" throughout the system
.4	Provide input controls and reports that account for all transactions
.5	Provide flexible and efficient encounter processing schedule that allows for encounters to be processed daily throughout the month and can support AHCCCS volumes in reasonable windows
.6	Provide same comprehensive and flexible set of system edits for encounters as are available for claims with configurable parameters and other criteria <ul style="list-style-type: none"> <input type="checkbox"/> Allow user to set edit disposition on edits to "turn on" or "off" for encounters <input type="checkbox"/> Provide ability to set edit to accept encounter or reject encounter back to health plan/agency <input type="checkbox"/> Provide ability to set edits to "soft" and notify health plan/agency <input type="checkbox"/> Provide ability for health plans/other agencies to "override" certain edits <input type="checkbox"/> Provide some encounter-specific edits such as checking the reasonableness of the health plan paid amount

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.7	Support encounter correction process <ul style="list-style-type: none"> ❑ Health plans/program contractors must be able to access their “pending” encounters via the Internet ❑ Provide reports of current pending inventory showing new receipts and total pending by age by health plan/program contractor ❑ Provide reports to show whether health plans/program contractors correct or override errors
.8	Support all AHCCCS pricing methodologies for encounters based on line of business, type of provider, specific provider, type of service, specific service, etc. and compute “value” of each encounter; provide means to default “values” on services that would normally require manual pricing
.9	Maintain detailed audits trails showing similar to the audit trails maintained for claims
.10	Provide for comments/free form text <ul style="list-style-type: none"> ❑ Identify comments by type – general, adjudication, medical review, provider inquiries, adjustments, etc. ❑ Capture date/time of comment and user ID ❑ Maintain status – open, closed/completed, deleted, etc. ❑ Do not allow comments to be changed after they are entered ❑ Spell check comments
.11	Support automatic and manual alerts <ul style="list-style-type: none"> ❑ Automatically generate alerts base on user-defined criteria such as age in “location” ❑ Route alerts to various queues or users based on type of alert ❑ Allow users to enter/trigger manual alerts ❑ Track date/time, source, and status of each alert
.12	Process voids and replacement encounters
.13	Provide for online inquiry of encounters <ul style="list-style-type: none"> ❑ Ability to inquire by specific claim/encounter, recipient, health plan/other agency, provider, etc. ❑ Ability to filter queries by dates of service, receipt ❑ Ability to filter queries by claim type, line of business, type of service, claim status, etc. ❑ Inquiry screens should show maximum of data on minimum number of screens
.14	Provide regular and ad hoc encounter reporting capability <ul style="list-style-type: none"> ❑ Produce statistics on number of encounters accepted and rejected and show total dollars by line of business and by health plan/other agency; show totals for each type of encounter and distinguish original claims/encounters versus voids versus replacement/adjustment claims/encounters ❑ Produce statistics on rejects showing number and amount of encounters rejected by reason code, claim/encounter type, and by health plan/other agency ❑ Produce reports showing number of overridden edits by edit code and by health plan/other agency ❑ Produce statistical reports showing current and historical encounter submission rates with number of encounters, total dollars, and number/dollars accepted/rejected by health plan/other agency
.15	Provide variables for user-defined queries <ul style="list-style-type: none"> ❑ Variables to include claim/encounter status, dates of service, dates of receipt, specific health plan, specific provider, type of provider, specific member, type of service, type of claim, specific service or range of services, specific diagnosis or range of diagnoses, EOB code(s), edit/audit code(s), line of business, etc. ❑ Query to generate online report or extract file that can be downloaded
.16	The system must capture and maintain all data elements required to support Federal reporting requirements based on data from claim records are met (e.g. family planning, sterilizations, hysterectomies, pregnancies, immunizations, EPSDT).
.17	System must maintain a minimum of two years of encounter history that is available for online, real time

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	access and a minimum of five years of claims history total that is available for reporting.
.18	Provide processes to back out and reprocess encounters

2.5 HARDWARE/SOFTWARE AND NETWORK REQUIREMENTS

The Claims Processing System shall operate on a hardware/software platform that is compatible with AHCCCS' current environment. It is also expected that the hardware/software platform must be adaptable in the future should AHCCCS modify or upgrade its environment. PMMIS is run on an IBM Z900 mainframe that is owned and operated by the Arizona Department of Administration (ADOA) and is located at the ADOA Data Center. All other equipment is owned and operated by AHCCCS. The end-user configuration for networks and desktops is as follows:

- Operating System – Windows 2000/2003 and Unix Solaris
- Network – IP Network, Gigabit Ethernet Connection
- Database – Oracle/ SQL Server
- Mass Storage – Net Appliance (Network Attached Storage)
- Servers – Dell Servers
- Desktops – 450 to 1.7 GHz CPUs with 20 gigabyte hard drives running Windows XP
- Web Browser – Internet Explorer 6.0
- Desktop Software - Microsoft Office, Microsoft Access, Microsoft Exchange and Attachmate Extra Client, which provides access to the PMMIS mainframe applications; end-users have very limited access to, or capability for, ad hoc query or reporting against PMMIS data or for extracting data from the mainframe systems.


The Claims Processing System must run on a platform that can be connected to AHCCCS' WAN/LAN such that current end users on the WAN/LAN will have access to the Claims Processing System on their desktops or via a virtual office setup on the web. Any electronic interfaces required to transfer data to/from the Claims Processing System platform must adhere to AHCCCS and ADOA standards.

The Claims Processing System will be aligned with the Statewide Enterprise Architecture.

Capacity of Hardware/Software Configuration: The hardware/software configuration shall accommodate a minimum of five years of data for reporting and 2 years for operational use. The proposed configuration should include appropriate back-up capabilities and other features necessary to ensure reliability and recovery, including file back-ups, file recovery, redundant power supplies, network interface cards, and RAID 5 Drive arrays.

Scalable to Support Expansion and Growth: AHCCCS desires a configuration that is easily scalable and allows for future expansion.

Responsibility for Hardware and Supporting System Software: For the solution selected, there are two options regarding the hardware and the associated supporting system software as follows:

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- ☐ Option 1 is that AHCCCS shall be responsible for purchasing all hardware, supporting system software (other than the actual Claims Processing System application) and other costs necessary to install and configure the host platform.
- ☐ Option 2 is that the Claims Processing System Contractor shall provide a Data Center Hosting Facility and will be responsible for the purchase, installation, and ongoing support and maintenance of the hardware and supporting system software at a hosted site.

Location of Hardware: Under any option 1, the primary site for the platform for the AHCCCS Claims Processing System shall be at the main AHCCCS offices located at 801 E. Jefferson Street, in Phoenix, Arizona or at the data center operated by ADOA located at 1510 W. Adams, in Phoenix, Arizona. If Option 2 is selected, then the hardware will be located at the Claims Processing System Contractor's Data Center Hosting Facility.


Production, Testing/Training, and Development/Unit Test Environments: The hardware/software configuration shall support a minimum of three environments (production, user test/training, and development/unit-system test). The production environment shall be sufficient to support the number of users. The user test/training environment shall support approximately 20 users concurrently and provide sufficient data in the data warehouse to perform user acceptance testing and training. The development environment shall be sufficient for the Claims Processing System Contractor to support changes and enhancements to the system and perform unit-system testing.

Relational Database Software for Data Warehouse and Commercially Available Software: The Claims Processing System shall be supported by a commercially available relational database management system. AHCCCS should be able to directly access the data in the data warehouse with other commercially available software and tools and standard SQL interfaces. Any other system software (other than application software provided by the Claims Processing System Contractor) required to support the Claims Processing System such as report writers, file backups, communications software, etc. must also be commercially available. The supporting system software should also include software utilities required to analyze the database to determine potential data corruption and anomalies, analyze space usage and optimize database organization.

System Availability: All system maintenance (data updates and data management) shall be able to be accomplished on a schedule that allows the Claims Processing System to be operationally available 24 hours per day/ 7 days per week with reasonable scheduled downtime.

System Reliability: AHCCCS desires a system that can operate day in and day out with a high degree of reliability.

Disaster Recovery: The Claims Processing System Contractor shall provide a disaster/recovery plan such that normal Claims Processing System processing can be resumed in the event of a disaster or major hardware problem at the Claims Processing System primary site. The plan shall provide various alternatives for backup equipment and backup sites and the costs associated with each alternative. At a minimum, the plan shall address using existing AHCCCS backup equipment and backup sites as well as using the Contractor's facilities and equipment as a backup site.

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Response Time and Processing Modes: The Claims Processing System should be designed in such a way that it can satisfy the majority of responses to real-time user transactions in a matter of seconds or less. The Claims Processing System should not adversely affect the performance of the other AHCCCS systems.

Privacy and Security: The Claims Processing System shall provide security from inappropriate access to, or use of, the Claims Processing System through logon, password, individual security profiles, and specific application security as required. The Claims Processing System user's logon shall define the level of user and define any restrictions on access to data contained in the Claims Processing System database. Ideally, users will be able to use their AHCCCS logons rather than have separate logons for the Claims Processing System. Security must, at a minimum, meet all applicable federal security and privacy requirements including the HIPAA requirements for securing protected health information.

Additional information related to technical interfaces can be found on the AHCCCS website and in the bidders' library.


2.6 VOLUME AND CAPACITY REQUIREMENTS

The claims processing and any other optional components that an Offeror proposes must support AHCCCS' current and projected volumes. Volumes can be found on the bidders' library.


2.7 PERFORMANCE MEASURES AND STANDARDS

The contractor will be required to meet the performance standards detailed in the chart below.

	Non-hosted	Hosted
Volume	Support AHCCCS volumes plus 5% increase in volume per year (see batch processing requirements below)	
Online access		
Up time	Reliable to 99% up time 18 hours/day, 7 days per week	99% up time 18 hours/day, 7 days per week
Response time	Average less than 3 seconds for simple inquiry and update with no more than 2% of transactions over 5 seconds	same
Closing applications for backup or updates	Specific functions may be closed for update/backup during off-hours	same
Web access		
Up time	Reliable to 99% of 24/7	99% of 24/7
Response time	Average less than 3 seconds for simple inquiry and update with no more than 2% of	same

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	transactions over 5 seconds	
Key processing cycles		
Edit cycles	Real time, background and batch	same
Audit/history cycles	Real time, background and batch	same
Adjustment cycles	Real time, background and batch	same
Payment cycles	Support up to daily with multiple checking accounts	same
Member (834)	Daily	same
PA (278)	Daily	same
Claims Status Inquiries (276/277)	Daily – responses out within 24 hours	same
Report production		
Scheduled reports	Daily, wkly, mthly, etc, scheduled reports to process within “batch window” for AHCCCS volumes	95% of scheduled reports on time; No reports more than 1 day late
Ad Hoc		same
Disaster/Recovery		
Backup		Backup such that maximum loss is 1 hour for online transactions (log files); and 1 day for batch processes
Restore system		Within 2 working days for major disaster
System changes		
Production problems	Within 4 hours	same
Emergency change requests	Response due within 4 hours; changes per agreed schedule	same
Change requests	Response due within 5 working days; changes due per agreed schedule	same


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3. INSTRUCTIONS FOR PRICING EXHIBITS


Offerors must complete the appropriate pricing exhibits based on the option(s) (hosted, non-hosted) that they are bidding. See Attachment B as follows:

- 3.1 Hosted Option
 - 3.1.1 Pricing Exhibit 1
 - 3.1.2 Pricing Exhibit 2a and 2b
- 3.2 Non-hosted Option
 - 3.2.1 Pricing Exhibit 1
 - 3.2.2 Pricing Exhibit 3a and 3b
 - 3.2.3 Pricing Exhibit 4

If an Offeror is submitting a proposal for both of the options (hosted and non-hosted), then the Offeror must submit a complete set of exhibits for each option.

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1. **Definition of Terms:** As used in within this solicitation document, and any resultant contract, the terms listed below are defined as follows:
- 1.1 "Arizona Financial Information System "(AFIS) means the statewide system that captures and maintains accounting information including appropriations, agency budgets, expenditures, encumbrances, general ledger account balances, grants, receivables, and revenues
 - 1.2 "AHCCCS" means an Arizona Health Care Cost Containment System - managed health care program which pertains to health care services provided pursuant to A.R.S. 36-2903 et seq., and is also the name of the State agency.
 - 1.3 "Attachment" means any item the Solicitation requires an Offeror to submit as part of the Offer.
 - 1.4 "Contract" means the combination of the Solicitation, including the Instructions to Offerors, Contract Terms and Conditions, and Scope of Work; the Offer; any Final Proposal Revisions; any Solicitation Amendments or Contract Amendments; and any terms applied by law.
 - 1.5 "Contract Amendment" means a written document signed by the Contracting Officer that is issued for the purpose of making changes in the contract.
 - 1.6 "Contracting Officer" means the person duly authorized by AHCCCS to enter into and administer Contracts and make written determinations with respect to the Contract, or his or her designee.
 - 1.7 "Contractor" means a person who has a contract with AHCCCS.
 - 1.8 "Days" means calendar days unless otherwise specified.
 - 1.9 "Exhibit" means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
 - 1.10 "Gratuity" means a payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
 - 1.11 "Health Plan" means an organization which contracts with the AHCCCS Administration to administer the provision of a comprehensive package of AHCCCS covered acute and behavioral health care services to AHCCCS members enrolled with the health plan.
 - 1.12 "Hosted" means the vendor will be responsible for acquiring and maintaining the hardware to "host" the system including power, backup power, cooling and environmental control, and fire and smoke systems; maintaining physical security of the premises; providing operations staff to support the operations; running any schedule batch processes and regular file/system backups; providing disaster/recovery capabilities including maintaining off-site storage for files; installing and


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maintaining all operating system software and utilities required to support the application systems, and providing for connectivity with AHCCCS.

- 1.13 "May" indicates something that is not mandatory but permissible.
- 1.14 "Offer" means bid, proposal or quotation.
- 1.15 "Offeror" means an offeror who responds to a Solicitation.
- 1.16 "Program Contractor" means an organization which contracts with the AHCCCS Administration to execute the provision of a comprehensive package of ALTCS covered acute care, behavioral health services and long term care services to ALTCS members enrolled with the program contractor.
- 1.17 "Shall, Must" indicates a mandatory requirement. Failure to meet these mandatory requirements may result in the rejection of a proposal as non-responsive.
- 1.18 "Should" indicates something that is recommended but not mandatory. If the offeror fails to provide recommended information, the State may, at its sole option, ask the offeror to provide the information or evaluate the proposal without the information.
- 1.19 "Scope of Work" means those provisions of this Solicitation which specify the work and/or results to be achieved by the Contractor.
- 1.20 "Solicitation" means an Invitation for Bids ("IFB"), a Request for Proposals ("RFP"), or a Request for Quotations ("RFQ").
- 1.21 "Solicitation Amendment" means a written document that is authorized by the Contracting Officer and issued for the purpose of making changes to the Solicitation.
- 1.22 "Subcontract" means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
- 1.23 "State" means the State of Arizona.

2. Inquiries:

- 2.1 **Duty to Examine:** It is the responsibility of each Offeror to examine the entire Solicitation, seek clarification in writing, and check its Offer for accuracy before submitting the Offer. Lack of care in preparing an Offer shall not be grounds for withdrawing the Offer after the Offer due date and time, nor shall it give rise to any Contract claim.
- 2.2 **Solicitation Contact Person:** Any inquiry related to a Solicitation, including any requests for or inquiries regarding standards referenced in the Solicitation, shall be directed solely to the Solicitation


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Contact Person. The Offeror shall not contact or direct inquiries concerning this Solicitation to any other State employee unless the Solicitation specifically identifies a person other than the Solicitation Contact Person as a contact.

- 2.3 Submission of Inquiries: The Solicitation Contact Person may require that an inquiry, to include exceptions, be submitted in writing. Any inquiry related to a Solicitation shall refer to the appropriate Solicitation number, page and paragraph. Do not place the Solicitation number on the outside of the envelope containing that inquiry, since it may then be identified as an Offer and not be opened until after the Offer due date and time.
- 2.4 Timeliness: Any inquiry, to include exceptions, shall be submitted as soon as possible and at least seven days before the Offer due date and time. Failure to do so may result in the inquiry not being considered for a Solicitation Amendment.
- 2.5 No Right to Rely on Verbal Responses: Any inquiry that results in changes to the Solicitation shall be answered solely through a written Solicitation Amendment. An Offeror may not rely on verbal responses to its inquiries.
- 2.6 Solicitation Amendments: The Solicitation shall only be modified by a Solicitation Amendment.
- 2.7 Pre-Offer Conference: If a Pre-Offer Conference has been scheduled under this Solicitation, the date, time and location shall appear on the Solicitation cover sheet or elsewhere in the Solicitation. An Offeror should raise any questions they may have about the Solicitation or the procurement at that time. An Offeror may not rely on any verbal responses to questions at the conference. Material issues raised at the conference that result in changes to the Solicitation shall be answered solely through a written Solicitation Amendment.
- 2.8 Persons With Disabilities: Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Solicitation Contact Person. Requests shall be made as early as possible to allow time to arrange the accommodation.

3. Offer Preparation:


- 3.1 Forms: No Facsimile or Telegraphic Offers: An Offer shall be submitted either on the forms provided in this Solicitation or their substantial equivalent. Any substitute document for the forms provided in this Solicitation will be legible and contain the same information requested on the forms. A facsimile, telegraphic, mailgram or electronic mail Offer shall be rejected.
- 3.2 Typed or Ink; Corrections: The Offer shall be typed or in ink. Erasures, interlineations or other modifications in the Offer shall be initialed in ink by the person signing the Offer. Modifications shall not be permitted after Offers have been opened except as otherwise provided under applicable law.
- 3.3 Evidence of Intent to be Bound: The Offer and Acceptance form within the Solicitation shall be submitted with the Offer and shall include a signature by a person authorized to sign the Offer. The

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signature shall signify the Offeror's intent to be bound by the Offer and the terms of the Solicitation and that the information provided is true, accurate and complete. Failure to submit verifiable evidence of intent to be bound, such as an original signature, may result in rejection of the Offer.

3.4 Exceptions to Terms and Conditions:


- 3.4.1 If offerors take any exception to any term, condition or requirement included in this Solicitation document, such exception shall be submitted to the Contract Specialist by **AUGUST 29, 2007**. This will allow the Contract Specialist to review all exceptions and, if applicable, afford any approved exceptions to all other potential offerors.
- 3.4.2 If an offeror includes, in their proposal, exceptions, not covered by paragraph 3.4.1, above, such exceptions shall be null, void and without force and shall not be considered, and may negatively affect AHCCCS' proposal evaluation based on the published evaluation criteria or may result in rejection of the proposal.
- 3.4.3 To the extent they are inconsistent with the terms of the Solicitation, the Offeror's preprinted or standard terms will not be considered by AHCCCS as a part of any resulting Contract.
- 3.5 Subcontracts: Offeror shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities in the Offer.
- 3.6 Cost of Offer Preparation: AHCCCS will not reimburse any Offeror the cost of responding to a Solicitation.
- 3.7 Solicitation Amendments: Each Solicitation Amendment shall be signed with an original signature by the person signing the Offer, and shall be submitted no later than the Offer due date and time. Failure to return a signed copy of a material Solicitation Amendment may result in rejection of the Offer.
- 3.8 Provision of Tax Identification Numbers: Offerors are required to provide their Arizona Transaction Privilege Tax Number and/or Federal Tax Identification number, if applicable, in the space provided on the Offer and Acceptance Form.
- 3.9 Federal Excise Tax: The State of Arizona is exempt from certain Federal Excise Tax on manufactured goods. Exemption Certificates will be prepared upon request.
- 3.10 Identification of Taxes in Offer: The State of Arizona is subject to all applicable state and local transaction privilege taxes. If Arizona resident Offerors do not indicate tax as a separate item in the offer, the State will conclude that the price(s) offered includes all applicable taxes.
- 3.11 IRS W9 Form: In order to receive payment under any resultant contract, Contractor shall have a current IRS W9 Form on file with the State of Arizona.

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- 3.12 **Disclosure:** If the firm, business or person submitting this Offer has been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity, including being disapproved as a subcontractor with any federal, state or local government, or if any such preclusion from participation from any public procurement activity is currently pending, the Offeror shall fully explain the circumstances relating to the preclusion or proposed preclusion in the Offer. The Offeror shall include a letter with its Offer setting forth the name and address of the governmental unit, the effective date of this suspension or debarment, the duration of the suspension or debarment, and the relevant circumstances relating to the suspension or debarment. If suspension or debarment is currently pending, a detailed description of all relevant circumstances including the details enumerated above shall be provided.
- 3.13 **Solicitation Order of Precedence:** In the event of a conflict in the provisions of this Solicitation, the following shall prevail in the order set forth below:
- 3.13.1 Special Terms and Conditions;
 - 3.13.2 Uniform Terms and Conditions
 - 3.13.3 Statement or Scope of Work;
 - 3.13.4 Specifications;
 - 3.13.5 Attachments;
 - 3.13.6 Exhibits;
 - 3.13.7 Special Instructions to Offerors, and
 - 3.13.8 Uniform Instructions to Offerors
- 3.14 **Delivery:** Unless otherwise stated in the Contract, all prices shall be F.O.B. Destination and shall include all delivery and unloading at the destination.

4. Submission of Offer:


- 4.1 **Sealed Envelope or Package:** Each Offer shall be submitted to the submittal location identified in this Solicitation, in a sealed envelope or package that identifies its contents as an Offer and the Solicitation number to which it responds. The appropriate Solicitation number shall be plainly marked on the outside of the envelope or package.
- 4.2 **Offer Amendment or Withdrawal:** An Offer may not be amended or withdrawn after the Offer due date and time except as otherwise provided under applicable law.

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- 4.3 **Public Record:** Under applicable law, all Offers submitted and opened are public records and must be retained by AHCCCS. Offers shall be open to public inspection after Contract award, except for such portions of an Offer deemed to be confidential by AHCCCS.
- 4.4 **Non-collusion, Employment, and Services:** By signing the Offer and Acceptance Form or other official contract form, the Offeror certifies that:
- 4.4.1 It did not engage in collusion or other anti-competitive practices in connection with the preparation or submission of its Offer; and
- 4.4.2 It does not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, or disability, and that it complies with all applicable federal, state and local laws and executive orders regarding employment.

5. **Evaluation:**

- 5.1 **Unit Price Prevails:** Where applicable, in the case of discrepancy between the unit price or rate and the extension of that unit price or rate, the unit price or rate shall govern.
- 5.2 **Taxes.** Arizona transaction privilege and use taxes shall not be considered when evaluating Offers.
- 5.3 **Late Offers:** An Offer submitted after the exact Offer due date and time shall be rejected.
- 5.4 **Disqualification:** The Offer of an Offeror who is currently debarred, suspended or otherwise lawfully prohibited from any public procurement activity shall be rejected.
- 5.5 **Offer Acceptance Period:** An Offeror submitting an Offer under this Solicitation shall hold its Offer open for the number of days from the Offer due date that is stated in the Solicitation. If the Solicitation does not specifically state a number of days for Offer acceptance, the number of days shall be one hundred eighty (180) days. If a Final Proposal Revisions is requested pursuant to a Request for Proposals, an Offeror shall hold its Offer open for one hundred eighty (180) days from the Final Proposal Revision due date.
- 5.6 **Payment:** Payment shall comply with the requirement of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt of goods or services, the contractor shall submit a complete and accurate invoice for payment from AHCCCS within thirty (30) days.

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5.7 Waiver and Rejection Rights: Notwithstanding any other provision of the Solicitation, AHCCCS reserves the right to:


- 5.7.1 Waive any minor informality;
- 5.7.2 Reject any and all Offers or portions thereof; or
- 5.7.3 Cancel a Solicitation.

6. Award:


- 6.1 Number or Types of Awards: Where applicable, AHCCCS reserves the right to make multiple awards or to award a Contract by individual line items or alternatives, by group of line items or alternatives, or to make an aggregate award, whichever is deemed most advantageous to AHCCCS. If the Contracting Officer determines that an aggregate award to one Offeror is not in AHCCCS' best interest, "all or none" Offers shall be rejected.
- 6.2 Contract Inception: An Offer does not constitute a Contract nor does it confer any rights on the Offeror to the award of a Contract. A Contract is not created until the Offer is accepted in writing by the Contracting Officer's signature on the Offer and Acceptance Form. A notice of award or of the intent to award shall not constitute acceptance of the Offer.
- 6.3 Effective Date: The effective date of this Contract shall be the date that the Contracting Officer signs the Offer and Acceptance form or other official contract form, unless another date is specifically stated in the Contract.

7. Confidential Information:

- 7.1 If a person believes that a portion of a bid, proposal, offer, specification, or protest contains information that should be withheld due to confidentiality, the Contracting Officer shall so be notified. A detailed statement, presented as a cover letter, shall both identify those specific areas considered confidential and also state the specific harm or prejudice which may arise if disclosed.
- 7.2 The information identified by the person as confidential shall not be disclosed until the Contracting Officer makes a written determination. The Contracting Officer shall review the statement and information and shall determine in writing whether the information shall be withheld.
- 7.3 If so approved, such confidential information shall be removed from the public record and kept sealed in a separate envelope marked "Confidential." Such information will not be made available to the public.
- 7.4 An entire bid, proposal, offer, specification, or protest shall not be identified as confidential; **only those portions which are considered proprietary, trade secrets or patented information. Pricing shall not be considered as confidential.**

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8. **Contract Applicability:** Any contract resulting from this Solicitation shall be for the exclusive use of AHCCCS.
9. **Electronic Documents:** AHCCCS may provide an electronic version of this procurement document. Any unidentified alteration or modification to the original document (or to any Exhibit contained therein) issued by AHCCCS shall be null and void. In those instances where modifications are identified, the original document issued by the State shall take precedence.
10. **Proposal Opening:** Proposals shall be opened on the date and time, and at the place designated on the cover page of this document, unless amended in writing by the state agency issuing the Solicitation.
11. **Protests:** A protest shall comply with and be resolved according to Arizona Revised Statutes Title 41, Chapter 23, Article 9 and the Arizona Administrative Code Title 2, Chapter 7, Article 9, Rules R2-7-901 through R2-7-937. It shall be in writing and be filed with the AHCCCS Contracting Officer and with the State Procurement Administrator. A protest of a Solicitation shall be received by the AHCCCS Contracting Officer before the offer due date. A protest of a proposed award or of an award shall be filed within ten (10) days after the protester knows or should have known the basis of the protest. A protest shall include:
- 11.1 The name, address and telephone number of the protester;
 - 11.2 The signature of the protester or its representative;
 - 11.3 Identification of the purchasing agency and the Solicitation or contract number;
 - 11.4 A detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and the form of relief requested.

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1. OFFEROR'S CONTACTS

All questions concerning this Request for Proposal, including technical specifications, proposal process, etc. shall be directed to the Solicitation Contact Person, identified on the first page of this Solicitation document. All questions shall be in writing and submitted either via e-mail (preferred) or telefax. Contact information is found on the front page of this document. Offerors may not contact other AHCCCS employees concerning this Solicitation.

2. SCHEDULE OF EVENTS

The following are key dates applicable to this Solicitation:

Activity	Date
Solicitation Issued	July 9, 2007
Notice of Intent to Issue a Solicitation	July 9, 2007
Bidder's Conference	August 9, 2007
Questions from Offerors	August 29, 2007
Written Answers to Questions	September 5, 2007 for final set
Proposals Due	September 11, 2007
Proposal Evaluations	November 8, 2007
Oral Presentation of Proposals	TBD
Best and Final Offers	TBD
Contract Award	TBD
Contract Execution	TBD
Contract Begin Date	January 1, 2008

3. GENERAL ORGANIZATION

Offeror's submissions are organized into three (3) parts – Required Forms; Technical Proposal, and Cost Proposal. The requirements for each of these parts are described below.


3.1 Part 1—Required Forms

This part shall contain the signed original of all documents requiring signature of the bidder other than the Transmittal Letter which is to be included in Part 2. Use of reproductions of signed originals is authorized in the second copy. All certifications required by the solicitation shall be completed and included in this part. Submit one original in the note book labeled original and one copy in a note book labeled copy plus part 1.

3.2 Part 2—Technical Proposal

This part shall contain the Transmittal Letter and shall separately answer each question listed in Section 5.F.

The Transmittal Letter must be signed by a person authorized to bind the company. The technical proposal response is not to include any cost figures. Any reference to cost in Part 2 may result in immediate disqualification of the Offeror. The proposal response must contain a clear cross-reference by section and page

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number to the Solicitation to allow for expedient review and evaluation. One original plus 10 copies must be submitted in a properly labeled note book that will also contain part 3 in a separate section. Also, with the original and each copy a CD-ROM in Microsoft Word and in a .pdf format should be enclosed for section 2.

3.3 Part 3—Cost Proposal

The cost proposal shall include all information requested in Section 5.G relative to the costs proposed to accomplish each requirement. The cost proposal shall include a complete and auditable description of costs for the performance of all work. One original plus 10 copies must be submitted in a properly labeled note book that will also contain part 2 in a separate section. Also, with the original and each copy a CD-ROM in Microsoft Word or Excel should be enclosed for section 3.

4. PROPOSAL FORMAT INSTRUCTIONS

To aid in the evaluation, proposals shall be prepared simply and economically, providing straightforward, practical, concise delineation of the Offeror's capabilities to satisfy the requirements of the Solicitation. Proposals shall be neat, indexed, and logically assembled. Emphasis of each proposal must be on completeness and clarity of content. Offeror's proposing both the hosted and non-hosted options should clearly identify items proposed that are unique to a particular option.

4.1 Paper, Font Size, Margins

Except with respect to exhibits and charts, Offerors should use eight and one half (8.5) by eleven (11) inch paper, one (1) inch margins, and a font no smaller than twelve (12) point. Tables and charts used as exhibits may use a smaller font and/or have different margins but must be readable.

4.2 Page Numbers


Each page with a proposal section should be numbered consecutively, including all appended materials.

4.3 Page Limitations

Offerors are advised that AHCCCS may not consider any information provided on pages exceeding the page limitations specified for each section.

4.4 Binding

Each bidder must submit a proposal in a three (3) ring loose leaf binder to allow for easy insertion of updated pages to the extent necessary.

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Number of Copies (Electronic and Hard copy)

Required Proposal Part	Number of Hard Copies
Part 1—Required Forms	Original, plus one (1) copy
Part 2—Technical Proposal	Original, plus ten (10) copies
Part 3—Cost Proposal	Original, plus ten (10) copies

One complete Technical Proposal on a CD-ROM in Microsoft Word and in a .pdf format should be enclosed with the hard copies.

One complete Cost Proposal on a CD-ROM in Microsoft Word or Excel should be enclosed with the hard copies.

5. PACKAGING AND DELIVERY

5.1 Labels and Packaging

Each proposal containing Part (1, 2, and 3) shall be submitted in sealed separate packages, and those sealed separate packages shall be contained within one (1) package. When submitting your proposal to AHCCCS, ensure that your company name and the RFP solicitation number are clearly marked on the outside of each package.

AHCCCS is not responsible for supplying boxes, envelopes, tape, etc. to Offerors at time of proposal delivery.

5.2 Submission Address

Proposals should be mailed to the following address and must be received by the due date specified in the Schedule of Events:


Arizona Health Care Cost Containment System
Contracts and Purchasing Section
701 E. Jefferson
Mail Drop 5700
Phoenix, Arizona 85034
Attention: Patricia Wilkinson

5.3 Due Date and Time

All proposal materials **must be received by 3:00 p.m., Mountain Standard Time (MST)** on the due date specified in the Schedule of Events.

It is the responsibility of each Offeror to ensure their proposal is delivered to AHCCCS by the due date and time. Offerors should allow for such contingencies as heavy traffic, weather, directions to submittal location, parking, common carriers not delivering as requested, etc.

AHCCCS shall not accept late proposals past the due date and time.

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6. PART 1— Required Forms

All certifications required by the solicitation shall be completed and include in this part

7. PART 2—TECHNICAL PROPOSAL

7.1 Transmittal Letter


The Transmittal Letter shall be in the form of a standard business letter on the letterhead of the proposing company and shall be signed by an individual authorized to legally bind the Offeror. The letter should identify all material and enclosures being submitted in response to the Solicitation. At a minimum, the transmittal letter shall include:

- ☐ A statement indicating that the Offeror is a corporation or other legal entity
- ☐ A statement confirming that the Offeror is registered to do business in Arizona
- ☐ A statement identifying the Offeror's Federal tax identification number
- ☐ A statement that no attempt has been made or will be made by the Offeror to induce any other person or firm to submit or not to submit a proposal
- ☐ A statement that no cost or pricing information has been included in this letter or any other part of the technical proposal
- ☐ A statement that the Offeror has read, understands, and agrees to all provisions of this Solicitation without reservation
- ☐ Certification that the Offeror's offer will be firm and binding for One Hundred Eighty (180) days from the proposal due date
- ☐ If the proposal deviates from the detailed specifications and requirements of the Solicitation, the transmittal letter must identify and explain these deviations. AHCCCS reserves the right to reject any proposal containing such deviations or to require modifications before acceptance.

7.2 Executive Summary

The Executive Summary shall condense and highlight the contents of the Technical Proposal in such a way as to provide a broad understanding of the Offeror's entire proposal. The Executive Summary shall include a summary of the proposed system, highlighting the key features and advantages of the system for AHCCCS. This section should also provide an overview of the Offeror's qualifications and experience, technical approach and work plan, project management, and proposed staffing. Offerors should clearly state whether they are proposing a hosted or non-hosted option or both for the ongoing operations.

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7.3 Financial and Other Required Information

7.3.1 The Offeror must supply complete sets of audited financial statements for the last two (2) years. Privately owned companies may supply unaudited statements if audited statements are not available. Such information should include, at the minimum:

- ☐ Balance sheet
- ☐ Income statement
- ☐ Statement of cash flow
- ☐ Notes to financial statements

7.3.2 The Offeror must provide the following organizational background information:

- ☐ Full name, address, and telephone number
- ☐ Date established
- ☐ Ownership (i.e. public company, partnership, etc.)
- ☐ Description of business operations
- ☐ Details of any proposed mergers, acquisitions, or sales that may affect financial stability or organizational structure
- ☐ The status of lawsuits and pending litigation for the most recent fiscal year
- ☐ A description, if any, of insurance claims filed within the past five (5) years


(no page limit)

7.4 Qualifications and Experience

7.4.1 Offerors should provide a brief overview of the firm's qualifications and experience followed by a more detailed description of the specific experience most relevant to this project. Offerors must provide a description of a minimum of three (3) relevant projects performed within the past three (3) years. The description should include a description of the scope of work, specific software/versions of software that were installed, indication if this is the base system or a version of the base system proposed for AHCCCS, whether or not the contractor "hosts" the system or the client hosts it, the initial schedule for the project and the actual schedule with an explanation of any differences, major accomplishments, challenges/problems encountered and how they were addressed, and an explanation of how the experience is relevant to this project.

7.4.2 Offerors must also provide references for these three (3) projects that include:

- ☐ Name of client
- ☐ Contact name and role on project
- ☐ Contact information including email address
- ☐ Original effective dates and any extension
- ☐ Original amount of contract and any subsequent additions

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7.5 Organization and Staffing

The Offeror must designate the project director and key personnel that will be assigned to this project. The project director should have overall responsibility for the customization and installation of the system and the ongoing systems support and must be available for weekly project meetings at AHCCCS following contract execution until at least three (3) months after the final components are installed and accepted by AHCCCS. Offerors should provide a description of the organization and staffing of the project team, the roles of each of the key personnel, roles of the other staff on the project during the implementation and also during the ongoing operations and maintenance phase. If both hosted and non-hosted options are proposed, then the Offeror should provide this information for each option.

7.5.1 For each key person assigned to this project, the Offeror must provide the following information:

- ☐ Name
- ☐ Description of his/her anticipated functions
- ☐ Description of the prior experience that qualifies him/her for the position
- ☐ Specific experience with the proposed base system or a version of the proposed system
- ☐ Three (3) business references (including name, organization, phone number, email, brief description of project, brief description of role of reference on project)
- ☐ Detailed resume
- ☐ **AHCCCS reserves the right to approve all staff assigned to the project.**

7.5.2 Offerors must provide a chart showing the number of hours for each key staff member and for other staff by month, split out by phase in the template provided in **Attachment A**. Other staff may be designated by labor category rather than by specific individual.


The Offeror should also provide a description of the expected role of AHCCCS and the anticipated resource requirements.

Page limit – 10 pages (not including resumes)

7.6 System Features and Functions

This section should include a general overview describing the proposed system, identifying its key features, and demonstrating how it meets/will meet AHCCCS' requirements.

Page limit – 20 pages (not including any additional exhibits that are referenced and included in an appendix)

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7.7 Requirement Matrix

Offerors are required to complete the Requirements Matrix provided in Attachment C per the instructions.

7.8 Requirement Descriptions

Offerors should address each of the requirements specified in Section 2 – Scope of Work and include the following:

- Ability to Provide Service - Provide required information on Attachment C
- ❑ **Training** – Describe the approach to training AHCCCS staff for each phase of the project (i.e. timing of training during the respective project phases; approach to training during each phase; strategies for training the trainers, preparing the training materials, working with AHCCCS trainers, and adapting the training to address AHCCCS policies and procedures, etc.). If a non-hosted option is proposed, the Offeror should also address operations training as well as the user training on the system. All training costs must be included in the cost proposal.


Note that it is AHCCCS' desire to have the contractor provide resources that will work throughout the project with AHCCCS on developing a comprehensive training program that is tailored to AHCCCS and includes AHCCCS policies and AHCCCS procedures as well as instructions on how to use the system. The contractor should specify how this objective will be addressed including what resources will be available to support the effort.

Page limit – 5 pages

- ❑ **Documentation** – Describe how the Offeror will maintain and provide documentation that is current, comprehensive, accurate, and timely during the development and implementation phases as well as during ongoing operations and maintenance. Also, describe how systems change requests will be documented, tracked, and incorporated into other documentation. Where possible, Offerors should consider including some examples of their documentation in an appendix.

Page limit – 5 pages

- ❑ **System Setup and Conversion** – Offerors should provide a description of the steps involved and the level of effort required for configuring/setting up and installing the system. The description should include a description of the files that will be electronically converted as well as the files/tables that must be populated manually. AHCCCS has not determined whether the cutover to the new system will be based on a date of service or on a date of payment/process date. The Offeror should indicate which option is assumed in their proposal and cite the rationale for the option that is proposed.
- ❑ **Resources** - Offerors should describe the resources that will be available to assist AHCCCS with the setup process including providing training, performing setup activities, providing ongoing technical

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support, and troubleshooting and resolving setup issues. It is AHCCCS' desire to have contractor resources working very closely with the AHCCCS setup team throughout the process.

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- ❑ **Backup and Disaster Recovery** – Offerors should describe the backup and recovery features of the proposed system. If a hosted option is proposed, the Offeror will be expected to maintain a state-approved disaster recovery and backup plan at all times. For purposes of the proposal, the Offeror must describe its approach to ensure development, maintenance, and execution of the disaster recovery and backup plan.

Page limit – 5 pages

- ❑ **Security and Privacy** – The Offeror should describe how it will meet the security and privacy requirements outlined in Section 2 – Scope of Work. If a hosted option is proposed, then the Offeror should describe the security and privacy checks that are in place under the proposed option both in terms of software and data security and physical/facilities security.

Page limit – 3 pages

- ❑ **Hardware/Software and Network** – In addition to a general description of the proposed configuration, for each option proposed – hosted and non-hosted. If the Offeror is proposing a non-hosted option, then the Offeror should note if there are any special compatibility requirements in the proposed configuration that AHCCCS would need to address. Note that the proposed configuration under either option should be sufficient to support the projected volumes over the next 2 years and meet the performance requirements specified in Section 2 – Scope of Work.


Page limit – 3 pages plus charts

- ❑ **Volume, Capacity, and Performance** – Provide a brief description of the proposed system's demonstrated ability to support volumes comparable to AHCCCS' volumes. Offerors should also describe how each of the performance requirements in Section 2 – Scope of Work will be addressed, citing specific clients and showing their respective volumes and level of performance.

Page limit – 5 pages plus forms

- ❑ **Certification** – Describe the Offeror's experience in obtaining MMIS certification. For the experience presented, indicate the Offeror's role. The Offeror should describe their approach to obtaining federal certification on this project and how the Offeror will ensure that certification is obtained on a timely basis.

Page limit – 5 pages

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- ❑ **MITA** – Describe the Offeror’s approach to meeting the MITA goals and objectives on this project and provide examples of the Offeror’s previous experience with MITA on other projects.

Page limit – 3 pages

- ❑ **Software Development Process** – Describe the Offeror’s software development process and provide current Capability Maturity Model or other certification level and any steps being taken to move to the next level.

Page limit – 5 pages

- ❑ **Turnover** – Describe any experience with turning over the proposed or comparable system on other projects at the termination of the contract. Offerors should also describe how they would approach turnover for this project and address the requirements in Section 2 – Scope of Work.

Page limit – 5 pages


- ❑ **Ongoing Maintenance and Support** – Describe how the Offeror proposes to meet AHCCCS’ requirements for ongoing maintenance and support. Where possible, cite examples of meeting similar requirements for other clients. Offerors should address the following types of questions:
 - How does the Offeror fix production problems? What is the average turnaround time for fixes?
 - Does the Offeror maintain client-specific versions of the software? If so, please describe the process and cite examples. If not, do clients maintain client-specific versions? Please describe and cite examples.
 - Does the Offeror provide periodic releases of the software? If so, how often? Please provide examples of the changes/features that were included in the 2 most recent release and what is planned for the next scheduled release.

Page limit – 10 pages

7.9 Project Work Plan and Schedule

Offerors should describe the project work plan and schedule including:

- ❑ Description of approach to each phase
- ❑ Description of each task/subtask within phase
- ❑ Planned start and completion dates for each task/subtask
- ❑ Estimated hours by task/subtask
- ❑ Gantt chart schedule
- ❑ Identification of major milestones and deliverables
- ❑ Anticipated problems and contingency plans

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If the Offeror is proposing phases different from those outlined in Section 2 – Scope of Work, then the Offeror should explain how the proposed phases related to those presented in the Solicitation. Additional, the Offeror should ensure that all of the deliverables identified in the RPF have been addressed in the proposed phases. If the Offeror has examples/samples of proposed deliverables, they may be referenced and included in an appendix.

Page limit – 40 pages

7.10 Project Management Approach

Describe the project methodology and tools that would be used to manage the project. Include details regarding:

- ☐ Project management and oversight
- ☐ Communications and documentation plan
- ☐ Project status reporting and tracking (i.e. tasks, issues, decisions, and status reporting)
- ☐ Corrective actions
- ☐ Change control
- ☐ Risk management

Describe the Offeror's plan for ensuring the timely and satisfactory delivery of work products including the actual software. The Offeror should provide specific examples of the steps taken to ensure quality and demonstrate the effectiveness of these steps in the past.

Page limit – 20 pages


8. PART 3—COST PROPOSAL

Offerors must complete the Pricing Schedules included in Attachment B– Pricing Schedules. Offerors may submit bids for the hosted option only, the non-hosted option only, or for both options.

9. BIDDER EVALUATION AND CONTRACT AWARD

9.1 Only proposals which offer proven products and adequately address the stated goals and objectives and meet the detailed requirements specified in this solicitation will be considered. AHCCCS reserves the right to accept or reject any or all proposals. Proposals will initially be checked to ensure that they provide the required information in the required format. Any proposals not meeting these requirements may be excluded from further evaluation.

9.2 Proposals passing the general format and content checks, including ability to provide all services required for SOW 2.4.1 through 2.4.7, as shown by response to Attachment C, and provision of to all information and documents required by paragraph 6, 7, and 8 of this section, will be subjected to an in-depth evaluation in accordance with an established evaluation plan.

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The proposals will then be evaluated in accordance with existing functions and features of the proposed base system and degree to which these functions and features support AHCCCS current business requirements and appear to provide for future requirements. The highest ranked proposals will then be evaluated according to the criteria below; the lower ranked proposals will be considered Not Susceptible for Award.

The following evaluation criteria are listed in order of importance:

- ☐ Offeror's qualifications and experience including demonstrated track record of success and qualifications and experience of proposed project staff
- ☐ Offeror's total proposed price
- ☐ Offeror's proposed technical approach, work plan, and schedule

9.3 Based on the results of the in-depth evaluation, offerors may or may not be asked to participate in additional discussions, present demonstrations of their proposed systems including demonstrating specific functions/features, and respond to specific questions to clarify information in their proposals.

10. Intent to Provide Certificate of Insurance: The offeror should provide a statement that, if notified of contract award, it will submit to AHCCCS for review and acceptance, the applicable certificate/s of insurance as required within this Solicitation document, within five (5) business days of such notification.

11. Offeror's Checklist: The offeror should complete , "Offeror's Checklist."


12. Offeror's Responsibility: The offeror is cautioned that it is the offeror's sole responsibility to submit information related to the evaluation categories and that the State of Arizona is under no obligation to solicit such information if it is not included with the offeror's proposal. Failure of the offeror to submit such information may cause an adverse impact on the evaluation of the offeror's proposal.

13. Clarifications: Clarifications may be requested from offerors at any time after receipt of offers. Clarifications may be requested orally or in writing. If clarifications are requested orally, the offeror shall confirm the request in writing. A request for clarifications shall not be considered a determination that the offeror is susceptible for award.

14. Negotiations: If negotiations are conducted, negotiations shall be conducted with all offerors determined to be in the competitive range or reasonably susceptible for award. Offerors may revise offers based on negotiations provided that any revision is confirmed in writing. Award may be made without negotiations; therefore, offers should be submitted complete and on most favorable terms.

15. Additional Information for Submittal of Proposal:

- 15.1 It is the responsibility of each offeror to insure their proposal is delivered to AHCCCS by the due date and time. Allow for such contingencies as heavy traffic, weather, directions to submittal location, parking, common carriers not delivering as requested, etc. AHCCCS shall not accept late proposals past the due date and time.

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15.2 AHCCCS is not responsible for supplying boxes, envelopes, tape, etc. to offerors at time of proposal delivery.

15.3 When submitting your proposal to AHCCCS, insure your company name and the Request for Proposal solicitation number is clearly marked on the outside of the envelope/package.

16. Value in Procurement:

Through the Governor's Efficiency Review initiative the Value in Procurement Committee has been established. A major initiative of the VIP Committee is to aggregate specific procurements to increase efficiency and cut costs. The VIP Committee may designate and establish a statewide contract for these types of goods or services. At such time, this contract may not be extended beyond its current term, although additional contract extensions may still be available.

17. Federal Immigration and Nationality Act:


The Contractor shall comply with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, the Contractor shall flow down this requirement to all subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of Contractor and subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the Contractor and/or any subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to; suspension of work, termination of the contract for default, and suspension and/or debarment of the Contractor.

18. Offshore Employment

Due to security and identity protection concerns, direct services under this contract shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development or modification of software for the state shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply to indirect or "overhead" services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.

19. Debarment

AHCCCS may, by written notice, immediately terminate this contract if it determines that the eventual contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body.

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20. Lobbying

No funds paid by AHCCCS, or interest earned thereon, shall be used for the purpose of influencing or attempting to influence an officer or employee of any federal or state agency, a member of the United States Congress or State Legislature, an officer or employee of a member of the United States Congress or State Legislature in connection with awarding of any federal or state contract, the making of any federal or state grant, the making of any federal or state loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any federal or state contract, grant, loan, or cooperative agreement. The eventual contractor shall disclose if any funds other than those paid by AHCCCS have been used or will be used to influence the persons and entities indicated above and will assist AHCCCS in making such disclosures to CMS.


21. Additional Guidelines for Exceptions to Terms and Conditions:

In keeping with the Uniform Instructions to Offeror paragraph 3.4 Exceptions to Terms and Conditions: If offerors take any exception to any term, condition or requirement included in this solicitation document, such exception shall be submitted to the Contract Specialist **by August 29, 2007**


1. The offeror must understand that exceptions to the Uniform Terms and Conditions and exceptions to the Special Terms and Conditions are very rarely granted.
2. The exception is **approved only if the offeror receives the approval in writing**. If the exception is acceptable, AHCCCS will give written approval and will often do a written amendment to the solicitation. **Any exceptions not addressed or not responded to by the Contract Specialist are denied.**

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1. **Advertising and Promotion of Contract:** The Contractor shall not advertise or publish information for commercial benefit concerning this contract without the prior written approval of the Contracting Officer.
2. **Amendments:** This Contract is issued under the authority of the Contracting Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract unless otherwise permitted by the Special Terms and Conditions. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by an unauthorized State employee or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.
3. **Arizona Law:** The law of Arizona applies to this contract including, where applicable, the Uniform Commercial Code, as adopted in the State of Arizona.
4. **Arizona Procurement Code:** The Arizona Procurement Code, A.R.S. Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code Title 2, Chapter 7, is a part of this Contract as if fully set forth in it.
5. **Assignment and Delegation:** The Contractor shall not assign any right nor delegate any duty under this contract without prior written approval of the Contracting Officer, who will not unreasonably withhold such approval.
6. **Audits and Inspections:**
 - 6.1 The Contractor shall comply with all provisions specified in A.R.S. 35-214 and 35-215 and AHCCCS policies and procedures relating to the audit of Contractor's records and the inspection of Contractor's facilities. Contractor shall fully cooperate with AHCCCS staff and allow them reasonable access to Contractor's staff, subcontractors, members, and records.
 - 6.2 At any time during the term of this contract, and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by AHCCCS and, where applicable, the federal government, to the extent that the books and records relate to the performance of the contract or subcontracts.
 - 6.3 AHCCCS and the federal government may evaluate through on-site inspection or other means, the quality, appropriateness and timeliness of services performed under this contract.
7. **Availability of Funds for the Next Fiscal Year:** Funds may not presently be available for performance under this Contract beyond the current fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current fiscal year until funds are made available for performance of this Contract. The State shall make reasonable efforts to secure such funds.

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8. **Cancellation for Conflict of Interest:** Pursuant to A.R.S. 38-511, AHCCCS may cancel this contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of AHCCCS is or becomes at any time, while the Contract or an extension of the Contract is in effect, an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation, unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. 38-511.
9. **Compliance with Applicable Laws:** The materials and services supplied under this Contract shall comply with all applicable federal, state and local laws, and the Contractor shall maintain all applicable licenses and permit requirements.
10. **Contract Claims:** All contract claims or controversies under this contract shall be resolved according to A.A.C. Title 9, Chapter 34 and rules adopted hereunder.
11. **Contract Order of Precedence:** In the event in the provisions of the contract, as accepted by AHCCCS and as they are amended, the following shall prevail in the order set forth below:
- 11.1 Special Terms and Conditions;
 - 11.2 Uniform Terms and Conditions;
 - 11.3 Statement or Scope of Work;
 - 11.4 Specifications;
 - 11.5 Attachments;
 - 11.6 Exhibits;
 - 11.7 Documents, referenced or included in the solicitation.
 - 11.8 Terms and conditions of the accepted offer
12. **Contractor's Representations and Warranties:** All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.
13. **Delivery:** Unless stated otherwise in the contract, all prices shall be F.O.B. Destination and shall include all delivery and unloading at the destination.

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14. **Exclusions:** Except as otherwise set forth in this Contract, there are no express or implied warranties of merchantability or fitness.
15. **Fitness.** The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.
16. **Force Majeure:**
- 16.1 Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.
- 16.2 Force Majeure shall not include the following occurrences:
- 16.2.1 Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;
- 16.2.2 Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or
- 16.2.3 Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.
- 16.3 If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.
- 16.4 Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.

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17. **Gratuities:** The Contracting Officer may, by written notice to the Contractor, immediately terminate this contract if it determines that employment or a gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of AHCCCS for the purpose of influencing the outcome of the procurement or securing the contract, an amendment to the contract, or favorable treatment concerning the contract, including the making of any determination or decision about contract performance. The Contracting Officer, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the gratuity offered by the Contractor.
18. **Implied Contract Terms:** Each provision of law and any terms required by law to be in this contract are a part of this contract as if fully stated in it.
19. **Indemnification -- Patent and Copyright:** The Contractor shall defend, indemnify and hold harmless AHCCCS against any liability including costs and expenses for infringement of any patent, trademark or copyright arising out of contract performance or use by AHCCCS of materials furnished or work performed under this contract. The Contracting Officer shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph.
20. **Indemnification**
- 20.1 Contractor/Offeror Indemnification (Not Public Agency)
- The parties to this contract agree that the State of Arizona, its departments, agencies, boards and commissions shall be indemnified and held harmless by the contractor for the vicarious liability of the State as a result of entering into this contract. However, the parties further agree that the State of Arizona, its departments, agencies, boards and commissions shall be responsible for its own negligence. Each party to this contract is responsible for its own negligence
- 20.2 Public Agency Language Only
- Each party (“as indemnitor”) agrees to indemnify, defend, and hold harmless the other party (as indemnitee”) from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney’s fees) (hereinafter collectively referred to as ‘claims’)_arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its officers, officials, agents, employees, or volunteers.
21. **Inspection/Testing:** The contractor agrees to permit access to its facilities, subcontractor facilities and the contractor's processes for producing the materials, at reasonable times for inspection of the materials covered under this contract. AHCCCS shall also have the right to test at its own cost the materials to be supplied under this contract. Neither inspection at the contractor's facilities nor testing shall constitute final acceptance of the materials. If AHCCCS determines non-compliance of the materials, the contractor shall be responsible for the payment of all costs incurred by AHCCCS for testing and inspection.

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22. **IRS W9 Form:** In order to receive payment under any resulting contract, the contractor shall have a current IRS W9 Form on file with the State of Arizona.
23. **Liens:** The Contractor warrants that the materials supplied under this contract are free of liens.
24. **No Parole Evidence:** This contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any term used in this contract.
25. **No Waiver:** Either party's failure to insist on strict performance of any term or condition of the contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the non-conforming performance knows of the nature of the performance and fails to object to it.
26. **Nonconforming Tender:** Materials supplied under this contract shall fully comply with the contract. The delivery of materials or a portion of the materials in an installment that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials, AHCCCS may terminate the contract for default under applicable termination clauses in the contract, exercise any of its rights and remedies under the Uniform Commercial Code or pursue any other right or remedy available to it.
27. **Non-Discrimination:** The Contractor shall comply with State Executive Order No. 99-4, which mandates that all persons, regardless of race, color, religion, sex, national origin or political affiliation, shall have equal access to employment opportunities, and all other applicable federal and state laws, rules and regulations, including the Americans with Disabilities Act. The Contractor shall take positive action to ensure that applicants for employment, employees, and persons to whom it provides service are not discriminated against due to race, creed, color, religion, sex, national origin or disability.
28. **Non-exclusive Remedies:** The rights and the remedies of AHCCCS under this contract are not exclusive.
29. **Notices:** Notices to the Contractor required by this Contract shall be made by the Contracting Officer to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to AHCCCS required by the Contract shall be made by the Contractor to the Contracting Officer. An authorized Contracting Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice and an amendment to the Contract shall not be necessary.
30. **Offshore Performance of Work Prohibited:** Due to security and identity protection concerns, direct services under this contract shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply to indirect or "overhead" services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.

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31. **Payments:** The Contractor shall be paid as specified in the Contract. Payment must comply with requirements of A.R.S. Title 35.
32. **Payment of Taxes by AHCCCS:** AHCCCS shall pay only the rate and/or amount of taxes identified in the Offer and in any resulting contract.
33. **Purchase Orders:** The contractor shall, in accordance with all terms and conditions of the contract, fully perform and shall be obligated to comply with all purchase orders received by the contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Contracting Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this contract.
34. **Property of AHCCCS:** Any materials, including reports, computer programs and other deliverables, created under this contract are the sole property of AHCCCS. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the Contracting Officer.
35. **Records:** Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other records (“records”) relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records at no cost to the State.
36. **Relationship of Parties:** The Contractor under this contract is an independent contractor. Neither party to this contract shall be deemed to be the employee or agent of the other party to the contract.
37. **Risk of Loss:** The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.
38. **Right of Offset:** AHCCCS shall be entitled to offset against any amounts due the Contractor any expenses or costs incurred by AHCCCS concerning the Contractor's non-conforming performance or failure to perform the contract, including expenses, costs and damages described in the proceeding paragraphs.
39. **Right to Assurance:** If AHCCCS, in good faith, has reason to believe that the Contractor does not intend to perform or continue performing this contract, the Contracting Officer may demand in writing that the Contractor give a written assurance of intent to perform. The demand shall be sent to the Contractor by certified mail, return receipt required. Failure by the Contractor to provide written assurance within the number of days specified in the demand may, at the Contracting Officer's option, be the basis for terminating the contract.

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40. **Severability:** The provisions of this contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the contract, which may remain in effect without the invalid provision, or application.
41. **State and Local Transaction Privilege Taxes:** AHCCCS is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect taxes from the buyer does not relieve the seller from its obligation to remit taxes.
42. **Stop Work Order:**
- 42.1 AHCCCS may, at any time, by written order to the Contractor, require the Contractor to stop all or any part of the work called for by this Contract for a period of ninety (90) days after the order is delivered to the Contractor, and for any further period to which the parties may agree. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.
- 42.2 If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Contracting Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.
43. **Subcontracts:** The contractor may, with the consent of the Contracting Officer, enter into written subcontract(s) for performance of certain of its functions under the contract. Subcontractors must be approved in writing by the Contracting Officer to the effective date of any subcontract.
- 43.1 No subcontract which the contractor enters into with respect to performance under the contract shall in any way relieve the contractor of any responsibility for performance of its duties.
- 43.2 The contractor shall give the Contracting Officer immediate notice in writing by certified mail of any action or suit filed and prompt notice of any claim made against the contractor by any subcontractor or offeror which in the opinion of the contractor may result in litigation related in any way to the contract with AHCCCS.
44. **Suspension or Debarment:** The Contracting Officer may, by written notice to the Contractor, immediately terminate this Contract if the Contracting Officer or the State determine that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body.
45. **Tax Indemnification:** The contractor and all subcontractors shall pay all federal, State and local taxes applicable to its operation and any persons employed by the contractor. Contractor shall, and require all


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subcontractors, to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal and/or State and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.


46. Termination for Convenience: The Contracting Officer reserves the right to terminate the contract in whole or in part at any time when in the best interests of AHCCCS without penalty or recourse. The Contracting Officer shall give written notice by certified mail, return receipt requested, to the Contractor of the termination at least ninety (90) days before the effective date of the termination. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the contract shall become the property of and be delivered to the Contracting Officer. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R 2-7-701 shall apply.

47. Termination for Default:


- 47.1 The Contracting Officer reserves the right to terminate this contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or failure to take corrective action as required by the Contracting Officer to comply with the terms of the contract. If the Contractor is providing services under more than one contract with AHCCCS, the Contracting Officer may deem unsatisfactory performance under one contract to be cause to require the Contractor to provide assurance of performance under any and all other contracts. In such situations, the Contracting Officer reserves the right to seek remedies under both actual and anticipatory breaches of contract if adequate assurance of performance is not received. The Contracting Officer shall mail written notice of the termination and the reason(s) for it to the Contractor by certified mail, return receipt requested.
- 47.2 In the event the Contractor requests a hearing prior to termination, AHCCCS is required by the Balanced Budget Act of 1997 to oversee the operation of the Contractor entity through appointment of temporary management prior to the hearing.
- 47.3 Upon termination under this paragraph, all documents, data, and reports prepared by the Contractor under the contract shall become the property of and be delivered to the Contracting Officer on demand.
- 47.4 The Contracting Officer may, upon termination of this contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this contract. The Contractor shall be liable for any excess costs incurred by AHCCCS in procuring the materials or services in substitution for those due from the Contractor.

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- 48. Third Party Antitrust Violations:** The Contractor assigns to AHCCCS any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor toward fulfillment of this contract.
- 49. Arbitration:** The Parties to this Contract agree to resolve all disputes arising out of or relating to this contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statutes (Title 41).

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1. **Assignment of Contract and Bankruptcy:** This contract is void able and subject to immediate cancellation by the Contracting Officer upon Contractor becoming insolvent or filing proceedings in bankruptcy or assigning rights or obligations under this contract without the prior written consent of the Contracting Officer. In case of bankruptcy AHCCCS' right to the escrowed source code, documentation and other documents cannot be terminated. If the contractor is no longer providing services and AHCCCS does not allow its contract to be assigned, the escrowed copy of the code shall be delivered to AHCCCS
2. **Authority to Contract:** This contract is issued under the authority of the Contracting Officer who signed this contract. Changes to the contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by an unauthorized state employee or made unilaterally by the Contractor are violations of the contract and of applicable law. Such changes, including unauthorized written contract amendments, shall be void and without effect, and the Contractor shall not be entitled to any claim under this contract based on those changes.
3. **Choice of Forum:** The parties agree that jurisdiction over any action arising out of or relating to this contract shall be brought or filed in a court of competent jurisdiction located in the State of Arizona.
4. **Continuation of Performance Through Termination:** The contractor shall continue to perform, in accordance with the requirements of the contract, up to the date of termination, as directed in the termination notice.
5. **Conflict of Interest:** The Contractor shall not undertake any work that represents a potential conflict of interest, or which is not in the best interest of AHCCCS or the State without prior written approval by AHCCCS. The Contractor shall fully and completely disclose any situation that may present a conflict of interest. If the Contractor is now performing or elects to perform during the term of this contract any services for any AHCCCS health plan, provider or Contractor or an entity owning or controlling same, the Contractor shall disclose this relationship prior to accepting any assignment involving such party.
6. **Contract Cancellation (Immediate):** This contract is critical to AHCCCS and the agency reserves the right to immediately cancel the whole or any part of this contract due to failure of the contractor to carry out any material obligation, term or condition of the contract. The Contracting Officer shall issue a written notice of default effective at once and not deferred by any interval of time. Default shall be for acting or failing to act an in any of the following:
 - 6.1 The contractor provides material that does not meet the specifications of the contract;
 - 6.2 The contractor fails to adequately perform the services set forth in the specifications of the contract;
 - 6.3 The contractor fails to complete the work required or furnish the materials required within the time stipulated in the contract;
 - 6.4 The contractor fails to make progress in the performance of the contract and/or gives the Contracting Officer reason to believe that the contractor will not or cannot perform to the requirements of the contract.

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6.5 The Contracting Officer may resort to any single or combination of the following remedies:

6.5.1 Cancel any contract;

6.5.2 Reserve all rights or claims to damage for breach of any covenants of the contract;

6.5.3 Perform any test or analysis on materials for compliance with the specifications of the contract. If the result of any test confirms a material non-compliance with the specifications, any reasonable expense of testing shall be borne by the contractor.


6.5.4 In case of default, the Contracting Officer reserves the right to purchase materials, services, or to complete the required work in accordance with the Arizona Procurement Code. The Contracting Officer may recover reasonable excess costs from the contractor by:

6.5.4.1 Deduction from an unpaid balance;

6.5.4.2 Collection against the bid and/or performance bond; or

6.5.4.3 Any combinations of the above or any other remedies as provided by law.

7. **Contract Disputes:** Contract disputes arising under A.R.S. § Title 36, Chapter 29 shall be adjudicated in accordance with AHCCCS Rules.
8. **Cooperation with other Contractors:** AHCCCS may award other contracts for additional work related to this contract and Contractor shall fully cooperate with such other contractors and AHCCCS employees or designated agents, and carefully fit its own work to such other contractors' work. Contractor shall not commit or permit any act which will interfere with the performance of work by any other contractor or by AHCCCS employees.
9. **Confidentiality of Records:** The contractor shall establish and maintain procedures and controls that are acceptable to AHCCCS for the purpose of assuring that no information contained in its records or obtained from AHCCCS or others carrying out its functions under the contract, shall be used or disclosed by it, its agents, officers or employees, except as required to efficiently perform duties under the contract. Persons requesting such information shall be referred to AHCCCS. The contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of the contractor as needed for the performance of duties under the contract, unless otherwise agreed to, in writing, by AHCCCS.
10. **Covenant Against Contingent Fees:** The Contractor warrants that no person or agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee. For violation of this warranty, the Contracting Officer shall have the right to annul this contract without liability.

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11. Contract:

11.1 The contract between AHCCCS and the contractor shall consist of (1) Solicitation) and any amendments thereto, and (2) the proposal submitted by the contractor in response to the RFP. In the event of a conflict in language between the two documents referenced, the provisions and requirements set forth and/or referenced in the Solicitation shall govern. However, AHCCCS reserves the right to clarify any contractual relationship in writing, and such written clarification shall govern in case of conflict with the applicable requirements stated in the Solicitation or the contractor's proposal. In all other matters not affected by the written clarification, if any, the Solicitation shall govern.

11.2 The contract shall be construed according to the laws of the State of Arizona. The State of Arizona is not obligated for the expenditures under the contract until funds have been encumbered.

12. Disclosure of Confidential Information: The Contractor shall not, without prior written approval from the Contracting Officer, either during or after the performance of the services required by this contract, use, other than for such performance, or disclose to any person other than AHCCCS personnel with a need to know, any information, data, material, or exhibits created, developed, produced, or otherwise obtained during the course of the work required by this contract. This nondisclosure requirement shall also pertain to any information contained in reports, documents, or other records furnished to the Contractor by AHCCCS.

13. Effective Date: The effective date of this contract shall be the date that the Contracting Officer signs the Offer and Award page of this document.


14. Employees of the Contractor: All employees of the Contractor employed or in performance of work under this Contract shall be employees of the Contractor at all times and not of AHCCCS. The Contractor shall comply with the Social Security Act, Workers' Compensation laws and unemployment laws of the State of Arizona as well as federal, state and local legislation relevant to the Contractor's business.

15. Federal Immigration and Nationality Act:

The Contractor shall comply with all federal, state, and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, the Contractor shall flow down this requirement to all subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of Contractor and subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the Contractor and/or any subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to: suspension of work, termination of the contract for default, and suspension and/or debarment of the Contractor.

16. Fraud and Abuse:

16.1 It shall be the responsibility of the Contractor to report all cases of suspected fraud and abuse by subcontractors, members or employees. The Contractor shall provide written notification of all such incidents to the Contracting Officer.

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16.2 As stated in A.R.S. § 13-2310, incorporated herein by reference, any person who knowingly obtains any benefit by means of false or fraudulent pretenses, representations, promises or material omissions is guilty of a class 2 felony.

16.3 Contractors are required to research potential overpayments identified by a fraud and abuse investigation or audit conducted by AHCCCS. After conducting a cost benefit analysis to determine if such action is warranted, the Contractor should attempt to recover any overpayments identified due to erroneous, false or fraudulent billings.

17. **Incorporation by Reference:** This solicitation and all attachments and amendments, the Contractor's proposal, final proposal revision accepted by the Contracting Officer, and any approved subcontracts are hereby incorporated by reference into the contract.

18. **Independent Contractor:** The contractor represents himself/herself to be an independent contractor offering such services to the general public and shall not represent himself/herself or his/her employees to be an employee of the State of Arizona and/or AHCCCS. Therefore, the contractor shall assume all legal and financial responsibility for taxes, FICA, employee fringe benefits, workers compensation, employee insurance, etc.


19. **Indemnification Clause:**

Contractor shall indemnify, defend, save and hold harmless the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the State of Arizona.

This indemnity shall not apply if the contractor or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.

20. **Insurance Requirements:**

Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract, are satisfied, insurance against claims for injury to

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persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

The *insurance requirements* herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, its agents, representatives, employees or subcontractors, and Contractor is free to purchase additional insurance.

20.1 Minimum Scope And Limits Of Insurance: Contractor shall provide coverage with limits of liability not less than those stated below.

20.1.1 Commercial General Liability – Occurrence Form

Policy shall include bodily injury, property damage, personal injury and broad form contractual liability coverage.

- General Aggregate \$2,000,000
- Products – Completed Operations Aggregate \$1,000,000
- Personal and Advertising Injury \$1,000,000
- Blanket Contractual Liability – Written and Oral \$1,000,000
- Fire Legal Liability \$ 50,000
- Each Occurrence \$1,000,000

20.1.1.1 The policy shall be endorsed to include the following additional insured language: ***“The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.”***


20.1.1.2 Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

20.1.2 Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

Combined Single Limit (CSL) \$1,000,000

The policy shall be endorsed to include the following additional insured language: ***“The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with***

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respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor.”

20.1.3. Worker's Compensation and Employers' Liability

Workers' Compensation	Statutory
Employers' Liability	
Each Accident	\$ 500,000
Disease – Each Employee	\$ 500,000
Disease – Policy Limit	\$1,000,000

20.1.3.1 Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

20.1.3.2 This requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. 23-901, AND when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

20.1.4 Professional Liability (Errors and Omissions Liability)


Each Claim	\$1,000,000
Annual Aggregate	\$2,000,000

20.1.4.1 In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.

20.1.4.2 The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Work of this contract.

20.2 Additional Insurance Requirements: The policies shall include, or be endorsed to include, the following provisions:

20.2.1. The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees wherever additional insured status is required such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.

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20.2.2 The Contractor's insurance coverage shall be primary insurance with respect to all other available sources.

20.2.3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

20.3 Notice Of Cancellation: Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the State of Arizona. Such notice shall be sent directly to **(AHCCCS Contracts, 701 East Jefferson, Mail Drop 5700, Phoenix, AZ 85034)**, and shall be sent by certified mail, return receipt requested.

20.4 Acceptability Of Insurers: Insurance is to be placed with duly licensed or approved non-admitted insurers in the state of Arizona with an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.


20.5 Verification Of Coverage: Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and endorsements are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Contract shall be sent directly to **(AHCCCS Contracts, 701 East Jefferson, Mail Drop 5700, Phoenix, AZ 85034)**. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time. **DO NOT SEND CERTIFICATES OF INSURANCE TO THE STATE OF ARIZONA'S RISK MANAGEMENT SECTION.**


20.6 Subcontractors: Contractors' certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall furnish to the State of Arizona separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.

20.7 Approval: Any modification or variation from the *insurance requirements* in this Contract shall be made by the Department of Administration, Risk Management Section, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

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20.8. **Exceptions:** In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance. If the contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

21. **Key Personnel:** It is essential that the contractor provide an adequate staff of experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this contract. The contractor must assign specific individuals to the key positions. Once assigned to work under the contract, key personnel shall not be removed or replaced without the prior written approval of AHCCCS' authorized representative and a copy to the Contracting Officer of record.
22. **Licenses:** Contractor shall maintain in current status all federal, state and local licenses and permits required for the operation of the business conducted by the contractor.
23. **Lobbying:** No funds paid to the Contractor by AHCCCS, or interest earned thereon, shall be used for the purpose of influencing or attempting to influence an officer or employee of any federal or State agency, a member of the United States Congress or State Legislature, an officer or employee of a member of the United States Congress or State Legislature in connection with awarding of any federal or State contract, the making of any federal or State grant, the making of any federal or State loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any federal or State contract, grant, loan, or cooperative agreement. The Contractor shall disclose if any funds other than those paid to the Contractor by AHCCCS have been used or will be used to influence the persons and entities indicated above and will assist AHCCCS in making such disclosures to CMS.
24. **No Guaranteed Quantities:** AHCCCS does not guarantee the Contractor any minimum or maximum quantity of services or goods to be provided under this contract.
25. **Non-exclusive Contract:** Any contract resulting from this solicitation shall be awarded with the understanding and agreement that it is for the sole convenience of AHCCCS. The state reserves the right to obtain like goods or services from another source when necessary.
26. **Other Contracts:** AHCCCS may undertake or award other contracts for additional or related work and the contractor shall fully cooperate with such contractors and state employees and carefully fit his own work to such additional work. The contractor shall not commit or permit any act which will interfere with the performance of work by any other contractor or by state employees. AHCCCS shall equitably enforce this section to all contractors to prevent the imposition of unreasonable burdens on any contractor.

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27. Ownership of Information and Data:

- 27.1 Any data or information system, including all software, documentation and manuals, developed by Contractor pursuant to this contract, shall be deemed to be owned by AHCCCS. The federal government reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use for federal government purposes, such data or information system, software, documentation and manuals. Proprietary software which is provided at established catalog or market prices and sold or leased to the general public shall not be subject to the ownership or licensing provisions of this section.
- 27.2 Data, information and reports collected or prepared by Contractor in the course of performing its duties and obligations under this contract shall be deemed to be owned by AHCCCS. The ownership provision is in consideration of Contractor's use of public funds in collecting or preparing such data, information and reports. These items shall not be used by Contractor for any independent project of Contractor or publicized by Contractor without the prior written permission of the Contracting Officer. Subject to applicable state and federal laws and regulations, AHCCCS shall have full and complete rights to reproduce, duplicate, disclose and otherwise use all such information. At the termination of the contract, Contractor shall make available all such data to the Contracting Officer within thirty (30) days following termination of the contract or such longer period as approved by the Contracting Officer. .
- 27.3 Except as otherwise provided in this section, if any copyrightable or patentable material is developed by Contractor in the course of performance of this contract, the federal government, AHCCCS and the State of Arizona shall have a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use, the work for state or federal government purposes. Contractor shall additionally be subject to the applicable provisions of 45 CFR Part 74 and 45 CFR Parts 6 and 8.

- 28. Responsibility for Payments Indemnification:** The contractor shall be responsible for issuing payment for services performed by the contractor's employees and will indemnify and save AHCCCS harmless for all claims whatsoever growing out of the lawful demands of employees, subcontractors, suppliers or any other third party incurred in the furtherance of the performance of the contract. The contractor shall, at AHCCCS' request, furnish satisfactory evidence that all obligations of the nature hereinabove designated have been paid, discharged or waived.

29. Term of Contract and Option to Renew:

- 29.1 The initial term of this contract shall be for two (2) initial years with two (2) two-year options to extend, not to exceed a total contracting period of six (6) years. The terms and conditions of any such contract extension shall remain the same as the original contract, as amended. All contract extensions shall be through contract amendment, and shall be at the sole option of AHCCCS.
- 29.2 When the Contracting Officer issues an amendment to extend the contract, the provisions of such extension will be deemed to have been accepted 60 days after the date of mailing by the Contracting Officer, even if the extension amendment has not been signed by the Contractor, unless within that

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time the Contractor notifies the Contracting Officer in writing that it refuses to sign the extension amendment. If the Contractor provides such notification, the Contracting Officer will initiate contract termination proceedings.

29.3 If the Contractor chooses not to renew this contract, the Contractor may be liable for certain costs associated with the transition of its members to a different Contractor. If the Contractor provides the Contracting Officer written notice of its intent not to renew this contract at least 180 days before its expiration, this liability for transition costs may be waived by the Contracting Officer.

30. Termination - Availability of Funds: Funds are not presently available for performance under this contract beyond the current fiscal year. No legal liability on the part of AHCCCS for any payment may arise under this contract until funds are made available for performance of this contract. AHCCCS shall make reasonable efforts to secure such funds.

31. Type of Contract: Firm Fixed-Price.


32. Warranty of Services: The Contractor warrants that all services provided under this contract will conform to the requirements stated herein. AHCCCS' acceptance of services provided by the Contractor shall not relieve the Contractor from its obligations under this warranty. In addition to its other remedies, the Contracting Officer may, at the Contractor's expense, require prompt correction of any services failing to meet the Contractor's warranty herein. Services corrected by the Contractor shall be subject to all of the provisions of this contract in the manner and to the same extent as the services originally furnished.

33. Performance Bond:

The contractor shall be required to furnish an irrevocable security in the amount of \$3,000,000 or the proposed cost of the design, development and implementation phase of the contract, whichever is greater, payable to AHCCCS, binding the contractor to provide faithful performance of the contract. Performance security shall be in the form of a performance bond, certified check or cashiers check. This security must be in the possession of the Contracting Officer within ten (10) calendar days from receipt of notice of award. If the contractor fails to execute the security document, as required, the contractor may be found in default and contract terminated by the Contracting Officer. In case of default, the Contracting Officer reserves all rights to recover as provided by law.

All performance bonds must be executed on forms substantially equivalent to SPO form 302, Attachment D, included with this solicitation.

Upon successful completion of the design, development and implementation phase, one-half of the Performance Bond will be returned to the Contractor. The remaining one-half will be held until the completion of the Contract.

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34. Escrow of System Code:

In order to assure continuation of the use of the software, in case where the contractor ceases to do business and has not transferred the business to another offeror acceptable to AHCCCS in order to support the ongoing operations the software, the contractor will place the software in escrow and all associated charges for maintaining the escrow account will be paid by the contractor in accordance with the Escrow Agreement agreed to by parties and attached hereto as Attachment E.

35. The contractor guarantees it will continue to support the product contracted by AHCCCS through the duration of the contract, which at AHCCCS' option could be a maximum of six years from start date.

36. If the contractor produces a new product to replace the product AHCCCS is currently using and whether or not the contractor intends to support the product AHCCCS is currently using:

36.1 The Contractor must give AHCCCS a minimum of 9 months notice.

36.1.1 The notice must be sent by certified mail to AHCCCS Contracts, 701 E Jefferson, Phoenix, AZ 85034.

36.1.2 Certified copies must be sent to all the contact people named in this contract.

36.2. When new product has been developed to complement or replace the product AHCCCS is currently using and is close to release,:


36.3.1 The Contractor must present a proposal to AHCCCS concerning the costs and logistics of transferring to the new platform and the advantages offered to AHCCCS to change to the new platform during the term of this contract.

36.3.2 Some of the many issues to be considered would be whether the new product suits AHCCCS' needs; price compared to current cost and the market; all implementation costs and issues; convenience of data transfer and AHCCCS personnel time involved with transfer; security and quality assurance measures during data transfer; training and time needed by AHCCCS employees to learn to utilize the new product.

36.3.3 If AHCCCS and the Contractor mutually agree the transfer to the new product, they must execute a detailed amendment for the transfer of AHCCCS' data to the new platform.

37. Transition Activities:


37.1 Upon the expiration of this Contract, AHCCCS anticipates a continued need for the Contracted services specified herein. In the event that a Contract is awarded to a new Contractor, there shall be a transition of service period. During this period, the outgoing Contractor shall provide necessary technical support and documentation and work closely with the new Contractor's personnel and/or AHCCCS staff to

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ensure a smooth and complete transfer of duties and responsibilities. The rates charged for any services provided shall not exceed the contracted rate and AHCCCS shall determine the level of personnel


- 37.2 All transition activities will be coordinated by AHCCCS's authorized representative. A transition plan will be developed specifying the method and the timetable for the data transfer, and for other resources as required. The outgoing Contractor will assist the new Contractor and/or AHCCCS staff to implement the transfer of information.
- 37.3 AHCCCS reserves the right to determine which projects nearing completion will remain with the outgoing Contractor.

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Project Staffing by Person/Labor Category and Phase
 see Special Instructions to Offerors 7.5.2

Staff/Name or Labor Category	Month 1	Month 2	Month 3	etc.	Total
Phase I					
Staff (name) 1					
Staff (name) 2 etc.					
Labor Category 1 (e.g. Business Analyst)					
Labor Category 2 (e.g. Documentation Specialist)					
Labor Category 3 (e.g. Programmer) etc.					
Subtotal by Phase					
Phase II					
Subtotal by Phase					
Phase III etc.					
Subtotal by Phase					
Total Project					

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INSTRUCTIONS FOR PRICING EXHIBITS

Offerors must complete the appropriate pricing exhibits based on the option(s) (hosted, non-hosted) that they are bidding.

1. Hosted Option
 1. Pricing Exhibit 1
 2. Pricing Exhibit 2a and 2b
2. Non-hosted Option
 1. Pricing Exhibit 1
 2. Pricing Exhibit 3a and 3b
 3. Pricing Exhibit 4

If an Offeror is submitting a proposal for both of the options (hosted and non-hosted), then the Offeror must submit a complete set of exhibits for each option.

Please refer to the following pages for Exhibits referenced above.

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PRICING EXHIBIT 1 – HOSTED AND NON-HOSTED OPTIONS

Customization/Installation

Instructions for Pricing Exhibit 1

The Offeror must include the total price for any customization and installation costs that are IN ADDITION to the prices quoted in Exhibits 2 and/or 3. The prices for any customization and installation should be presented either by the phases described in the Solicitation or by the phases proposed by the Offeror in their proposal along with the estimated number of hours for each phase. Note that if there are additional customization and installation charges for the optional Premium Billing component, they should be itemized separately. Also, note that AHCCCS is not requesting prices for any customization or installation associated with any of the potential future types of claims or encounters that might be processed on the system. Any unique requirements related to potential future types of claims or encounters would be handled through a software maintenance/change request and reimbursed at the hourly labor rates.

Phase	Description	Estimated Hours	Total Price
Required Components			
I	Project Initiation		
II	Requirements Definition		
III	Detail design, Development, and Modification		
IV	Testing		
V	Training and Documentation		
VI	Conversion		
VII	Implementation		
Premium Billing – additional charges, if any			
Customization/Installation for Encounters and Financial would be negotiated separately based on hourly rates			
TOTAL			

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PRICING EXHIBIT 2 – HOSTED SYSTEM OPTION

Post Implementation Support/Ongoing Operations, Maintenance and Support/Turnover

Instructions for Pricing Exhibits 2a and 2b

Offerors submitting bids for the hosted option must complete this exhibit. Offerors should provide their prices for any software licenses and annual maintenance fees plus their prices for the ongoing operation/hosting of the system. Offerors should also provide their rates by labor category for any additional enhancements or changes to the system once it is implemented. Note that AHCCCS will not reimburse the contractor for post implementation support or turnover and so these costs must be included elsewhere.


With regard to the software license fees, Offerors should provide the license fees in three categories: 1) all software components that are required to support AHCCCS' current types of fee-for-service claims; 2) claims and encounters that AHCCCS may add in the future; and 3) premium billing. In each of the categories, the Offeror should indicate the unit measure (PMPM, per claim, per user/seat, one-time/flat rate, etc.) and the unit price along with the total price. The total prices should be computed using the volumes provided in Section 2.6 of the SOW for startup. Offerors should show any volume discounts that are available and indicate at what point a volume discount or reduced price is available. For example, the Offeror may submit a price per claim line for up to 100,000 claim lines and another price for 100,001 to 200,000, etc.

With regard to the rates per hour, Offerors should provide the rates per hour by labor category for software enhancements/changes other than those required to initially customize and install the system (Exhibit 1). Offerors should also attach a description of the minimum qualifications for each labor category proposed (project manager, business analyst, trainer, documentation specialist, programmer, data base administrator, etc.)

With regard to the ongoing operations for the hosting of the system, Offerors should provide the unit of measure (CPU hour, claim line, PMPM, etc.), unit price and total price using the volumes that are provided in Section 2.6 of the SOW for startup.


Offerors should complete Pricing Exhibit 2b to show any pricing increases that are proposed after the first year of operations

Exhibit 2a and 2b are on following pages.

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Pricing Exhibit 2a – Year 1 of Operations

Item	Unit of Measure	Unit Price	Projected Startup Volume/ Month	Total Price/ Month
Software License Fees – Required Components for Current Claims Processing				
TOTAL				
Software License Fees – Potential/Future Claims/Encounters Processing				
TOTAL				
Software License Fees – Premium Billing				
TOTAL				
Software Maintenance and Enhancements				
Hours included in license fees				
Hourly Rates for additional enhancements				
Labor Category				Rate/Hour
Post implementation Support – include in License Fees				
Ongoing Operations and Maintenance				
Item	Unit of Measure	Unit Price	Projected Startup Volume/ Month	Total Price/ Month
Monthly claims processing for current claim types				
Monthly premium billing processing				
Monthly potential/ future claims/encounter processing				
Other – itemize				
Turnover – included in license and operations prices				

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Pricing Exhibit 2b – Subsequent Years of Operations

	Unit Price Year 2,3	Unit Price Year 4,5
Software License/Annual Maintenance Fees – Required Components for Current Claims Processing		
Software License/Annual Maintenance Fees – Potential/Future Claims/Encounters Processing		
Software License/Annual Fees – Premium Billing		
Software Maintenance and Enhancements		
Hours included in Annual License/Maintenance Fees		
Hourly Rates for additional enhancements		
Labor Category	Rate/Hour Year 2,3	Rate/Hour Year 3,4
Ongoing Operations/Hosting of System		
Item	Unit Rate Year 2,3	Unit Rate Year 4,5
Monthly claims processing for current claim types		
Monthly premium billing processing		
Monthly potential/ future claims/encounter processing		
Other – itemize		

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PRICING EXHIBIT 3 – NON-HOSTED SYSTEM OPTION

Post Implementation Support/Ongoing Operations, Maintenance and Support/Turnover

Instructions for Pricing Exhibits 3a and 3b

Offerors submitting bids for the non-hosted option must complete this exhibit. Offerors should provide their prices for any software licenses and annual maintenance fees plus. Offerors should also provide their rates by labor category for any additional enhancements or changes to the system once it is implemented. Note that AHCCCS will not reimburse the contractor for post implementation support or turnover and so these costs must be included elsewhere.


With regard to the software license fees, Offerors should provide the license fees in three categories: 1) all software components that are required to support AHCCCS' current types of fee-for-service claims; 2) claims and encounters that AHCCCS may add in the future; and 3) premium billing. In each of the categories, the Offeror should indicate the unit measure (PMPM, per claim, per user/seat, one-time/flat rate, etc.) and the unit price along with the total price. The total prices should be computed using the volumes provided in Section 2.6 of the SOW for startup. Offerors should show any volume discounts that are available and indicate at what point a volume discount or reduced price is available. For example, the Offeror may submit a price per claim line for up to 100,000 claim lines and another price for 100,001 to 200,000, etc.

With regard to the rates per hour, Offerors should provide the rates per hour by labor category for software enhancements/changes other than those required to initially customize and install the system (Exhibit 1). Offerors should also attach a description of the minimum qualifications for each labor category proposed (project manager, business analyst, trainer, documentation specialist, programmer, data base administrator, etc.)

Offerors should complete Pricing Exhibit 3b to show any pricing increases that are proposed after the first year

Exhibit 3a – Year 1


Item	Unit of Measure	Unit Price	Projected Startup Volume/ Month	Total Price/ Month
Software License Fees – Required Components for Current Claims Processing				
	TOTAL			
Software License Fees – Potential/Future Claims/Encounters Processing				

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	TOTAL			
Software License Fees – Premium Billing				
	TOTAL			
Software Maintenance and Enhancements				
Hours included in License Fees				
<i>Hourly Rates for additional enhancements</i>				
Labor Category				Rate/Hour
Post implementation Support – include in License Fees				
Turnover – included in license and operations prices				

Pricing Exhibit 3b – Subsequent Years

	Unit Price Year 2,3	Unit Price Year 4,5
Software License/Annual Maintenance Fees – Required Components for Current Claims Processing		
Software License/Annual Maintenance Fees – Potential/Future Claims/Encounters Processing		
Software License/Annual Fees – Premium Billing		
Software Maintenance and Enhancements		
Hours included in Annual License/Maintenance Fees		
<i>Hourly Rates for additional enhancements</i>		
Labor Category	Rate/Hour Year 2,3	Rate/Hour Year 3,4

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PRICING EXHIBIT 4 – NON-HOSTED OPTION

HARDWARE SOFTWARE CONFIGURATION REQUIRED TO SUPPORT SYSTEM

Instructions for Exhibit 4

Offerors proposing a non-hosted option, must complete this exhibit. The proposed configuration should be sized to accommodate the projected volume for the first year for the current claim types that AHCCCS is processing and the premium billing component. Offerors should not size the system to include any of the potential future types of claims or encounters. Offerors may quote retail prices. If the prices reflect any special purchasing agreements that the Offeror may have with offerors/supplies, the Offeror should so indicate.

Item	Quantity	Unit Price	Estimated Total Price	Estimated Annual Maintenance
Hardware – itemize				
		SUBTOTAL		
Communications – itemize				
		SUBTOTAL		
System Software (other than application)				
		SUBTOTAL		
Other (special equipment, supplies, etc.) – itemize				
		SUBTOTAL		
		TOTAL		

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The following tables are to be responded to in accordance with the instructions below:

- GENERAL REQUIREMENTS
- BENEFIT MANAGEMENT
- MEMBER MANAGEMENT
- PROVIDER MANAGEMENT
- PRIOR AUTHORIZATION
- CLAIMS
- PREMIUM BILLING
- FINANCIAL
- ENCOUNTERS


The requirements are presented the following charts. **The first column, labeled “Need Level,” indicates whether the requirement is (1) mandatory, (2) highly desirable, or (3) “nice to have.” The second column is the requirement Reference Number.** The third column contains the Requirement Description. **The final four columns indicate whether or not the requirement is met in the Offeror’s Base Product, whether it would require a Modification to the Base, or whether it would require New Development, or whether it is simply Not Available.** These columns should be completed and included in the offeror’s proposal. If the requirement is met in the offeror’s Base Product with no modifications, the offeror should indicate a check mark (“✓”) in the column entitled “Base Product.” If some minor modifications to the base product are required to meet the requirement, then that should be indicated with a check mark in the column entitled “Modification to Base.” If new development of new functions and features is required, this should be indicated by a check mark in the column entitled “New Development.” Finally, if the feature is not available or the requirement cannot or will not be supported by the Offeror, then the last column entitled “Not Available” should be check marked.

For any of the requirements where either Modification to Base or New Development is indicated, please provide the following in ten lines or less of type:


- Paragraph number of task
- Short explanation of what needs to be done
- Estimation of time involved
- Estimation of cost

GENERAL REQUIREMENTS


Need Level	2.4.1	Requirement -General	Base Product	Mod To Base	New Dev	Not Avail
1	.1	The system must be in compliance with Federal and state requirements including the federal State Medicaid Manual, 42 and 45 CFR, HIPAA, and applicable Arizona statues and rules, and agency policies				

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Need Level	2.4.1	Requirement -General	Base Product	Mod To Base	New Dev	Not Avail
1	.2	Standards <ul style="list-style-type: none"> <input type="checkbox"/> Must comply with industry standards for development, maintenance (indicate Capability Maturity Model level or other certification) <input type="checkbox"/> All web functions must meet AHCCCS standards and maintain the “look and feel” of AHCCCS web functions <input type="checkbox"/> Platform must be compatible with AHCCCS environment and future directions <input type="checkbox"/> Must provide version control and release procedures <input type="checkbox"/> Must provide means to track and control changes <input type="checkbox"/> Must provide comprehensive testing of all software development and changes 				
1	.3	Documentation <ul style="list-style-type: none"> <input type="checkbox"/> Provide comprehensive and up-to-date system and operations (non-hosted option) documentation <input type="checkbox"/> System documentation must include detailed description of data base structure, data dictionary, documentation on source/calculations for all fields that are displayed on screens and reports, selection criteria/logic for screens and reports, detailed logic for edits, detailed description of key algorithms including all pricing logic, etc. <input type="checkbox"/> Provide user-friendly user manuals and instructions 				
1	.4	System must be designed such that can evolve to meet MITA objectives in terms of <ul style="list-style-type: none"> <input type="checkbox"/> Providing a “service oriented” architecture that supports the business needs of the enterprise <input type="checkbox"/> Providing a flexible, adaptable, and responsive system that increases in the level of maturity over time <input type="checkbox"/> Supports seamless integration within the system between the components 				
1 1 1 1 2 1 2	.5	System features <ul style="list-style-type: none"> <input type="checkbox"/> Table/business rule/user parameter-driven <input type="checkbox"/> Consistent “look and feel” for screens including means of navigating from screen to screen, field names, general layout of screens, method of flagging/displaying errors, etc. <input type="checkbox"/> Provide access to data in efficient manner using minimum of screens for common inquiries, common research tasks, data entry, etc. <input type="checkbox"/> Where possible, display descriptions of code values or provide easy lookup access to this information <input type="checkbox"/> Efficient data base design that supports data entry, inquiries, batch processing and reporting <input type="checkbox"/> Provide easily accessible help information by allow users to “click” on help at the screen or field level 				

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1	.6	Security <ul style="list-style-type: none"> <input type="checkbox"/> Meet HIPAA and State of Arizona requirements <input type="checkbox"/> Restrict access to sensitive information based on individual users and/or roles/security groups <input type="checkbox"/> Restrict/limit add/update capability to individual users and/or roles <input type="checkbox"/> Provide ability to set levels for certain functions such as who can override which edits, who can approve certain prior authorization requests, who can manually price a claim, etc. <input type="checkbox"/> Limit access to information based on line of business, provider, case manager, etc.; for example, providers access needs to be restricted to only their information, case managers may be restricted to only their cases, certain units may only access a certain line of business (e.g. ADOC or HCG) <input type="checkbox"/> Record and report unauthorized attempts to access data <input type="checkbox"/> Provide means to easily maintain security tables <input type="checkbox"/> Provide capability to turn on/off access logging and trace all accesses 				
1	.7	System auditing and audit trails <ul style="list-style-type: none"> <input type="checkbox"/> Maintain detailed audit trails of all key data changes preferably with before/after images <input type="checkbox"/> Maintain date/time stamps and source (user ID, provider direct input, electronic file submitted by provider/clearing house, system-generated update, etc.) on all add/update activity <input type="checkbox"/> Do not physically delete records – provide for logical deletes (status or flag on record) 				
1	.8	Provide for comments/free form text <ul style="list-style-type: none"> <input type="checkbox"/> Allow user to associate comments to specific transactions/updates/records/actions <input type="checkbox"/> Capture date/time of comment and user ID <input type="checkbox"/> Do not allow comments to be changed after they are entered <input type="checkbox"/> Allow users to browse/access comments by user ID of originator, type of comment, member, provider, addressee, key words 				
1	.9	Provide ability for users to correspond electronically and leave e-messages for other users, providers, and external organizations <ul style="list-style-type: none"> <input type="checkbox"/> Notify user when message received/read <input type="checkbox"/> Maintain audit trail of sent messages and tie to member, provider, claim, action as appropriate <input type="checkbox"/> Allow users to set level of importance Allow users to set up different folders for responses 				
1	.10	Support automatic and manual alerts <ul style="list-style-type: none"> <input type="checkbox"/> Automatically generate alerts base on user-defined criteria <input type="checkbox"/> Route alerts to various queues or user based on type of alert Allow users to enter/trigger manual alerts <input type="checkbox"/> Track date/time, source, and status of each alert 				


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1	.11	Work Management <ul style="list-style-type: none"> <input type="checkbox"/> Provide flexible means to define work flow and queue work into “locations” for action/resolution <input type="checkbox"/> Provide hierarchy for defining the queue/location to which each item requiring action is to be sent <input type="checkbox"/> Provide work management reports showing inventories by location and age, activity (additions, completions) for each location <input type="checkbox"/> Allow for work management parameters to be set by line of business and/or company codes 				
1	.12	Reporting <ul style="list-style-type: none"> <input type="checkbox"/> Provide user-specified heading and footers on reports including logos <input type="checkbox"/> Names of fields should be consistent across reports <input type="checkbox"/> Ability to request reports online and specify type of output (hard copy, pdf, text file or other extract file, etc.) and destination (printer, folder, etc.) <input type="checkbox"/> Ability to reprint/reproduce reports based on “as of date” 				
1	.13	Archiving <ul style="list-style-type: none"> <input type="checkbox"/> Provide ability to archive data based on parameters such as date of service, date of last processing/last activity date, date of payment, line of business, etc. to a permanent storage media/device <input type="checkbox"/> Provide ability to vary archive parameters by line of business <input type="checkbox"/> Provide means to for users to specify other criteria/exceptions in archiving rules such as flagging accounts/offers based on open audit activity <input type="checkbox"/> Provide means to recover/use archived data for special projects 				
1	.14	Backup/Recovery <ul style="list-style-type: none"> <input type="checkbox"/> For the hosted option, provide comprehensive backup/recovery plan <input type="checkbox"/> For the non-hosted option, provide AHCCCS with a backup/recovery plan that is compatible with AHCCCS environment and meets AHCCCS requirements 				
1	.15	Test/QA/Training/Production environments <ul style="list-style-type: none"> <input type="checkbox"/> Maintain separate environments for each activity <input type="checkbox"/> Provide means of populating tables in test/QA/training environments from production 				
1	.16	Automatic job scheduling <ul style="list-style-type: none"> <input type="checkbox"/> Provide means to “automatically” initiate/kick off jobs/scripts based on a schedule 				

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BENEFIT MANAGEMENT


Need Level	2.4.2	Requirement – Benefit Management	Base Product	Mod To Base	New Dev	Not Avail
1	.1	Provide a comprehensive, flexible, and user-friendly means for users to specify and configure program benefits <ul style="list-style-type: none"> <input type="checkbox"/> Support definition of unlimited number of benefit plans <input type="checkbox"/> Allow for association of benefit plan to line of business, user-specified criteria, or specific member <input type="checkbox"/> Allow members to be associated to multiple benefit plans and users to specify hierarchy of processing <input type="checkbox"/> Provide templates for creating new benefit plans 				
1	.2	Provide capability for users to configure benefits including <ul style="list-style-type: none"> <input type="checkbox"/> Services covered along with specific service limitations or maximums based on time period, age, gender, and line of business <input type="checkbox"/> Co-pays including tiered co-pays, deductibles, and out-of-pocket maximums including annual and lifetime with the ability to vary these all based on time period, types or categories of services and in/out of network services, and as family and/or individual <input type="checkbox"/> Allow for manual input or adjustments to accumulators <input type="checkbox"/> Provide capability to transfer member accumulators across benefit plans if member changes plan <input type="checkbox"/> Support sliding scale premium amounts base on user-specified criteria; support different premiums based on user-specified criteria such as line of business, age, gender, etc. within a single benefit plan <input type="checkbox"/> Allow users to associate multiple provider networks with all or specific services within a plan 				
1	.3	Provide user-configurable service limitations for number of services (units/days) and/or dollar amount <ul style="list-style-type: none"> <input type="checkbox"/> Allow users to configure service limitations for by service or groups of services <input type="checkbox"/> Allow users to define service limitation period (per x days, x months, calendar year, year based on enrollment anniversary, lifetime, etc.) <input type="checkbox"/> Allow for preset time periods and rolling or sliding time periods (preset = per day or per month; rolling = last 6 months; sliding = any 6 month period) <input type="checkbox"/> Provide inquiry access to status of limits (units used, units available) by member and link to specific claims that have added to each limit <input type="checkbox"/> 				
1	.4	Provide inquiry/reporting into status of all accumulators <ul style="list-style-type: none"> <input type="checkbox"/> Provide summary information of current status of all accumulators <input type="checkbox"/> Provide detail reporting of all claims/transactions related to specific accumulators for a user-specified time period 				

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Need Level	2.4.2	Requirement – Benefit Management	Base Product	Mod To Base	New Dev	Not Avail
1	.5	Provide for automatic and manual assignment of benefit plan to members based on user-specified criteria such as line of business, age, gender, user-fields on member file, etc.				
1	.6	Provide for comments/free form text <ul style="list-style-type: none"> <input type="checkbox"/> Allow user to associate comments to specific transactions/updates and/or sections of the benefit plan <input type="checkbox"/> Capture date/time of comment and user ID <input type="checkbox"/> Do not allow comments to be changed after they are entered <input type="checkbox"/> Spell check comments 				
1	.7	Support automatic and manual alerts <ul style="list-style-type: none"> <input type="checkbox"/> Automatically generate alerts base on user-defined criteria <input type="checkbox"/> Route alerts to various queues or user based on type of alert <input type="checkbox"/> Allow users to enter/trigger manual alerts <input type="checkbox"/> Track date/time, source, and status of each alert 				
1	.8	Provide comprehensive reporting including <ul style="list-style-type: none"> <input type="checkbox"/> User-friendly description of each plan to be included in member materials <input type="checkbox"/> Performance analysis (cost) of each plan or of components of a plan <input type="checkbox"/> Statistics on accumulators (co-pays, deductibles, etc.) and premiums (billed vs. paid) 				

MEMBER MANAGEMENT


Need Level	2.4.3.	Requirement –Member Management	Base Product	Mod To Base	New Dev	Not Avail
1	.1	Receive enrollment data electronically from PMMIS/other sources in industry standard formats <ul style="list-style-type: none"> <input type="checkbox"/> Must process AHCCCS daily and monthly 834 member roster files (see formats on AHCCCS website along with technical interface guide) <input type="checkbox"/> Update process must account for all transactions and report exceptions <input type="checkbox"/> Update process must check for duplicate and suspect duplicate members 				
1	.2	Update process must allow for current, prospective, and retroactive eligibility/enrollment and other changes <ul style="list-style-type: none"> <input type="checkbox"/> Maintain a minimum of 2 years of enrollment information 				

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Need Level	2.4.3.	Requirement –Member Management	Base Product	Mod To Base	New Dev	Not Avail
		<input type="checkbox"/> Must automatically assign member to appropriate line of business based on criteria such as health plan ID, contract type, rate code, etc.				
1	.3	Member may be enrolled in multiple lines of business (or companies, depending on structure of Offeror's system) <ul style="list-style-type: none"> <input type="checkbox"/> A member's enrollment may change from one line of business to another line of business <input type="checkbox"/> A member may be concurrently "enrolled" in two lines of business such as HIS acute care and HIS behavioral health – in this case, claims for both "lines of business" may be paid through the system <input type="checkbox"/> A member may be concurrently "enrolled" in two lines of business such as acute care and school-based services – in this case, only the claims for the school-based services will be paid through the system and the acute care claims will be processed by an AHCCCS health plan or program contractor <input type="checkbox"/> System must process claims under the correct benefit plan 				
1	.4	Update, maintain and track other insurance coverage including Medicare <ul style="list-style-type: none"> <input type="checkbox"/> Update TPL information from 834 roster transactions and other sources such as the AHCCCS FYI file (see AHCCCS website for information on these files) <input type="checkbox"/> Maintain information on Medicare coverage and Part D plan enrollment <input type="checkbox"/> Maintain other insurance information by effective dates and type <input type="checkbox"/> Provide required TPL information back to AHCCCS 				
1	.5	Maintain and track members by AHCCCS ID <ul style="list-style-type: none"> <input type="checkbox"/> AHCCCS ID/AHCCCS identifier to be used as the primary identifier with providers, members, and AHCCCS <input type="checkbox"/> Track other member IDs such as HIC/SSN/DES/BHS/CRS/etc. as well as source of number 				
1	.6	Cross reference and link members as required by primary AHCCCS ID <ul style="list-style-type: none"> <input type="checkbox"/> Consolidate claims history for editing and auditing purposes under primary number <input type="checkbox"/> Consolidate member information under primary number 				
1	.7	Track head of household name, ID number, and demographic data <ul style="list-style-type: none"> <input type="checkbox"/> Note that family members each have their own eligibility periods and may have their own benefit package <input type="checkbox"/> System must have capability to cross-reference and 				

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Need Level	2.4.3.	Requirement –Member Management	Base Product	Mod To Base	New Dev	Not Avail
		show all members on a case				
1	.8	Provide for user-defined fields to accommodate such as				
1		<input type="checkbox"/> Support user-defined fields to accommodate information such as AHCCCS rate code information, on/off reservation indicators, tribe, ethnicity, language, living situation/placement, contact information				
2		<input type="checkbox"/> Utilize user-defined fields to drive certain processing such as assigning line of business, generating alerts, reporting, editing claims, etc.				
		<input type="checkbox"/> Provide ability to associate member with multiple case managers (e.g. medical case manager, social worker, behavioral health coordinator, etc.)				
1	.9	Provide comment/text fields				
1		<input type="checkbox"/> Comments must be associated with different elements/conditions such as high-risk cases, other insurance, special processing considerations, demographics				
1		<input type="checkbox"/> Comments should be indexed by status (open, closed, deleted, etc.), type (case management, other insurance, etc.), date, and user				
3		<input type="checkbox"/> Comments need to be protected once entered				
		<input type="checkbox"/> Comments should be spell checked				
1	.10	Provide process to maintain user-supplied information that is not overlaid with AHCCCS updates				
		<input type="checkbox"/> Maintain separate fields for some information so as not to overlay or wipe out; report differences and changes or generate alerts				
		<input type="checkbox"/> Provide this capability for TPL information and demographic information				
1	.11	Maintain audit trail of all changes with date/time stamp and distinguished electronic updates (from AHCCCS) from manual updates by staff (user ID)				
		<input type="checkbox"/> Track changes at the field level for key fields				
1	.12	Flag user-defined member high risk medical conditions and other critical issues				
2		<input type="checkbox"/> Automatically flag members for special processing based on user-specified criteria				
1		<input type="checkbox"/> Allow for manual updates to flag members for review				

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1	.13	Support online inquiry access to member information across lines of business				
1		<input type="checkbox"/> Filter/screen sensitive information based on user's security level of access				
1		<input type="checkbox"/> Provide members by various criteria -- full/partial name, date of birth, county, IDs (AHCCCS, HIC, SSN, etc.), case number, head of household, etc.				
2		<input type="checkbox"/> Provide capability to search by "sounds like" name or partial name				
2	.14	Support web-based inquiry to member information for providers and members				
		<input type="checkbox"/> Filter/screen information based on inquirer <input type="checkbox"/> Allow providers/members to supplement/update certain information				
1	.15	Provide capability for alerts/reminders/ticklers				
1		<input type="checkbox"/> Automatically generate based on certain criteria (including user-defined fields) such as member termination, address change, certain age, etc.				
1		<input type="checkbox"/> Route alerts to appropriate entity (provider, case manager, tribe, etc.) based on pre-defined criteria				
2		<input type="checkbox"/> Generate reminders to providers, members and case managers for certain services based on periodicity schedule (mammogram screening, immunizations, follow up appointments, etc.)				
1		<input type="checkbox"/> Provide for manually generated alerts and ticklers				
1		<input type="checkbox"/> Provide automatic follow up reminders/alerts based on user-supplied schedules (e.g. every 5 days, after 30 days, etc.)				
1		<input type="checkbox"/> Provide status on alerts to allow for forwarding, dismissing to a later date, closing, etc.				
2		<input type="checkbox"/> Provide reporting on aged, open, and closed alerts				
1	.16	Generate member materials				
		<input type="checkbox"/> Welcome letters based on member demographic data <input type="checkbox"/> PCP directories customized for member <input type="checkbox"/> Follow up letters/postcard regarding PCP choice <input type="checkbox"/> PCP assignment notifications <input type="checkbox"/> ID cards and mailers – new and replacement <input type="checkbox"/> Mailing labels on demand by member, and by other parameters such as line of business, age, geographic location, user-specified fields, etc. <input type="checkbox"/> Provide ability to consolidate member mailings/labels by family or head of household <input type="checkbox"/> Provide ability to designate alternate addressees for mailings as appropriate for certain member such as newborns/children, persons in custodial care, etc.				
2	.17	Maintain PCP information by member				
		<input type="checkbox"/> Identify who is/is not required to select PCP based on criteria such as line of business, <input type="checkbox"/> Maintain PCP assignments by time period <input type="checkbox"/> Generate provider directories for members that provides				

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		information on providers with regard to languages spoken, provisions for handicapped individuals, specialty, etc. <input type="checkbox"/> Automatically assign members to a PCP that do not choose based on various criteria including geographic location, specialty (e.g. pediatrician), and panel capacity <input type="checkbox"/> Allow multiple PCPs in certain situations (such as am acute care PCP and a behavioral health PCP) <input type="checkbox"/> Provide members with capability to choose PCP via the Internet				
2	.18	Generate rosters for PCPs to notify them of their members <input type="checkbox"/> Flag adds, changes, and deletes <input type="checkbox"/> Transmit electronically in standard formats or make available on the Internet <input type="checkbox"/> Generate roster on demand as well as on a pre-defined schedule				
1	.19	Provide member management reports including <input type="checkbox"/> Monthly enrollment and disenrollment totals by line of business(and/or company code),, eligibility rate code, county/zip code, age, gender, and ethnicity <input type="checkbox"/> Reconcile member file on monthly basis using monthly roster file and report discrepancies <input type="checkbox"/> Control reports on member update process showing records added, changed, etc, and exceptions by type <input type="checkbox"/> Member profiles showing demographics, enrollment history, other insurance coverages, change audit trails, and case notes and comments on demand <input type="checkbox"/> Statistical reports on enrollment trends by line of business, eligibility rate code, county/zip code, age, gender, and ethnicity				

PROVIDER MANAGEMENT


Need Level	2.4.4	Requirement – Provider Management	Base Product	Mod To Base	New Dev	Not Avail
1	.1	Maintain and track Providers by AHCCCS ID and/or NPI				
1	.2	Receive Provider enrollment data electronically from PMMIS/other sources in industry standard formats <input type="checkbox"/> Process AHCCCS daily and monthly Provider files (see formats on AHCCCS website along with technical interface guide); at a minimum, the AHCCCS daily/monthly Provider files should be used to trigger changes (which may be reported for manual follow up) and as a reference <input type="checkbox"/> Allow for current, prospective, and retroactive Provider enrollments <input type="checkbox"/> Maintain historical Provider				

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Need Level	2.4.4	Requirement – Provider Management	Base Product	Mod To Base	New Dev	Not Avail
		enrollment/disenrollment/change activity information <input type="checkbox"/> Ability to add an unregistered Provider for Medicare Crossover claims <input type="checkbox"/> Automatically assign Provider to appropriate line(s) of business, when possible based on user-defined criteria; note Providers may be in multiple lines of business <input type="checkbox"/> Provide means to update Provider information that is common to all lines of business once versus requiring this information to be put in for each line of business				
1	.3	Maintain audit trail of all changes to Provider information with date/time stamp and distinguished electronic updates from manual updates by staff <ul style="list-style-type: none"> ▪ Include date/time stamp ▪ Distinguish electronic updates from manual updates by staff ▪ Track before/after images for key fields 				
1	.4	Link Provider to: <ul style="list-style-type: none"> □ Multiple names/addresses by line(s) of business □ Multiple tax ID numbers by line of business □ Different service locations by line of business □ Different allowable/billable service types/benefits by line of business □ User-defined categories of service □ Group billing affiliation(s) □ Network affiliation(s); Providers may be in multiple networks 				
1	.5	Maintain PCP information <ul style="list-style-type: none"> □ Identify who may and may not be designated as a PCP based on criteria such as provider specialty by line of business □ Track Provider assignment/capacity/scope limits 				
1 1 2 1 2 1	.6	Provide for: <ul style="list-style-type: none"> □ Fields to accommodate user-defined information □ Utilize user-defined fields in processing logic for edits, reporting, etc. □ Comment/text fields that are indexed by type, date, and user □ Flags based on user-defined criteria such as hold all payments and pend claims or certain services for review □ Provider alerts/reminders/tickers based on user-defined criteria □ Means of categorizing providers by type of provider (transpiration, school, public health clinic, physician, hospital, etc.) and specialty (internal medicine, dermatologist, gerontologist, etc.) and track this by 				

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Need Level	2.4.4	Requirement – Provider Management	Base Product	Mod To Base	New Dev	Not Avail
1		effective dates <input type="checkbox"/> Maintain CLIA certifications for independent laboratories				
1	.7	Support online inquiry access to Provider information across lines of business <input type="checkbox"/> Filter/screen sensitive information based on user's security level of access <input type="checkbox"/> Provide Provider information by various criteria -- full/partial name, specialty, line of business, county, IDs (AHCCCS, NPI, Medicare ID, license number, etc.), provider type/specialty, etc. <input type="checkbox"/> Provide capability to search by "sounds like" name or partial name				
2						
2	.8	Generate Provider materials <input type="checkbox"/> Allow for PCP assignment notifications <input type="checkbox"/> Allow for automatically generated correspondence based on user-defined criteria <input type="checkbox"/> Allow for mailing labels to be generated on demand by Provider, and by other parameters such as line of business, geographic location, etc. <input type="checkbox"/> Provide ability to consolidate Provider mailings/labels by address <input type="checkbox"/> Provide ability to designate alternate addressees for mailings as appropriate for certain Providers <input type="checkbox"/> Provider directories for members by line of business <input type="checkbox"/> Generate alerts/reports for annual "recertification"/re-enrollment				
2						
1						
1						
1						
1						
1						
1	.9	Maintain user-defined, Provider-specific payment rates <input type="checkbox"/> Identify Provider payment methodology by type of service and/or procedure code by line of business <input type="checkbox"/> Identify unique Provider payment rates by type of service and/or procedure code, tier rate, or DRG, by line of business <input type="checkbox"/> Allow unlimited numbers of fee schedules and reimbursement methodologies tied to Providers				
1	.10	Generate Provider rosters <input type="checkbox"/> Flag adds, changes, and deletes <input type="checkbox"/> Transmit electronically in standard formats or make available on the Internet <input type="checkbox"/> Generate roster on demand as well as on a pre-defined schedule				
2	.11	Generate Provider Management reports such as: <input type="checkbox"/> PMPM expense by PCP <input type="checkbox"/> PMPM expense by Provider type <input type="checkbox"/> Provider report cards <input type="checkbox"/> Service utilization by Provider <input type="checkbox"/> Provider statistics including number of claims paid,				
2						
2						
2						
1						
1						

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Need Level	2.4.4	Requirement – Provider Management	Base Product	Mod To Base	New Dev	Not Avail
1		<p>pending, denied and corresponding dollar amounts by specific time period (monthly, quarter, year to date, etc.)</p> <p><input type="checkbox"/> Pending claims by error/edit code</p>				

PRIOR AUTHORIZATION


Need Level	2.4.5.	Requirement –Prior Authorization	Base Product	Mod To Base	New Dev	Not Avail
1	1	Maintain and track Prior Authorizations by automatically generated Prior Authorization numbers				
1	.2	Maintain and track Prior Authorizations by line of business				
1	.3	Maintain audit trail of all changes to Prior Authorization information with date/time stamp and distinguished electronic updates (from AHCCCS) from manual updates by staff				
1	.4*	Edit prior authorization requests to ensure member eligible, provider eligible, benefit covered, units/dollars or other limitations not already exceeded, and other basic “claim” edits pass (such as valid service for type of provider, procedure/modifier combination valid, passes age and sex restrictions, etc.)				
1	.5	Provide capability to automatically match the appropriate Prior Authorization to claims during adjudication process				
1	.6	Provide ability to adjust Prior Authorizations based on adjustments and recoupments				
1	.7*	Provide for: <ul style="list-style-type: none"> <input type="checkbox"/> Fields to accommodate user-defined information <input type="checkbox"/> Comment/text fields that are indexed by type, date, and user <input type="checkbox"/> Flags based on user-defined criteria <input type="checkbox"/> Prior Authorization alerts/reminders/tickers based on user-defined criteria 				
1	.8	Support online inquiry access to Prior Authorization information across lines of business <ul style="list-style-type: none"> <input type="checkbox"/> Filter/screen sensitive information based on user’s security level of access <input type="checkbox"/> Provide Prior Authorization information by various criteria – Provider full/partial name, type of service, specialty, line of business, etc. 				
1	.9	Support on-line data entry of Prior Authorization information across lines of business <ul style="list-style-type: none"> <input type="checkbox"/> Allow on-line entry of initial requests for Prior Authorizations <input type="checkbox"/> Allow on-line entry of updates to requests for Prior 				

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Need Level	2.4.5.	Requirement –Prior Authorization	Base Product	Mod To Base	New Dev	Not Avail
		Authorizations				
1	.10*	Allow for Prior Authorizations to be based on: <ul style="list-style-type: none"> <input type="checkbox"/> Procedure code ranges rather than specific codes <input type="checkbox"/> Date ranges rather than specific dates <input type="checkbox"/> Diagnosis code ranges rather than specific diagnosis codes <input type="checkbox"/> Different service settings at different, user-defined rates 				
1	.11	Calculate automatically and record the number of visits/services/units authorized, used, unused, and expired				
1	.12	Maintain history of Prior Authorizations by Member, Provider, and service type				
1	.13	Generate automatically user-defined Prior Authorization correspondence such as: <ul style="list-style-type: none"> <input type="checkbox"/> Allow for automatically generated correspondence based on user-defined criteria <input type="checkbox"/> Produce user-defined denial letters as appropriate <input type="checkbox"/> Allow for mailing labels to be generated on demand by Prior Authorization 				
1	.14	Provide capability for alerts/reminders/tickers <ul style="list-style-type: none"> <input type="checkbox"/> Generate alerts/reminders/tickers automatically based on user-defined criteria <input type="checkbox"/> Route alerts to appropriate entity based on user-defined criteria 				
1	.15	Allow for user-defined Prior Authorization-specific payment rates				
1	.16	Generate Prior Authorization management reports				

CLAIMS


Need Level	2.4.6	Requirement - Claims	Base Product	Mod To Base	New Dev	Not Avail
1	.1	System must support hard copy and electronic entry of claims <ul style="list-style-type: none"> <input type="checkbox"/> Support current and future versions of standard HIPAA electronic formats for claims (837 transaction and NCPDP) and code sets including replacement claims with no restrictions on number of claims per submission <input type="checkbox"/> Accept electronic claims directly from providers and from clearinghouses or AHCCCS' front end validation process <input type="checkbox"/> Support electronic formats for standard attachments <input type="checkbox"/> Provide for multiple versions of electronic formats (old & new) when new version released to allow for phase-in period for new version <input type="checkbox"/> Provide means of data entry for all standard hard copy 				

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Need Level	2.4.6	Requirement - Claims	Base Product	Mod To Base	New Dev	Not Avail
		claims forms; data entry screens should be designed to follow the form <input type="checkbox"/> Provide providers, health plans, and other agencies with online data entry capability via Internet for all standard forms				
1	.2	Support up to 999 lines per claim throughout the system				
1	.3	Provide input controls <input type="checkbox"/> Assign unique claim control numbers and tag claims with date of receipt <input type="checkbox"/> Provide means either via batch number ranges in the claim control number or other fields to distinguish various types of claims <input type="checkbox"/> Utilize claim control numbers that are assigned to hard copy claims manually or by AHCCCS' imaging system <input type="checkbox"/> Provide input control reports and account for all input by type and source of input <input type="checkbox"/> Tag claims as to input type (hard copy vs. electronic) and source (AHCCCS data entry, provider direct entry, third party biller or clearinghouse, provider submitted electronic billing, etc.) <input type="checkbox"/> Verify provider and provider's agent if applicable is "certified" to submit claims electronically				
1	.4	Provide ability to attach (cross reference) scanned documents such as original hard copy claims, attachments, supplementary documentation, correspondence, and adjustment requests to the claim record <input type="checkbox"/> Must be compatible with AHCCCS' current imaging system				
1	.5	Process all claim lines on a single document together throughout				
2	.6	Support real-time, background, and batch claims adjudication for both electronic and hard copy claims				
1	.7	Provide comprehensive and flexible set of system edits with configurable parameters and other criteria <input type="checkbox"/> Allow user to set edit disposition (pay, pay and report, pend, deny, test, "turned off", etc.) by claim type (electronic vs. hard copy) and source (AHCCCS data entry, provider direct entry, third party biller or clearinghouse, provider submitted electronic billing, etc) <input type="checkbox"/> Allow user to configure edits via parameters such as provider type, service categories, line of business, health plan, Medicare/non-Medicare, member rate code, other member characteristics including user-defined fields, etc. <input type="checkbox"/> Allow user to specify if edit is "overrideable" and if so by what level of staff (claims adjudicator, supervisor, medical review, Medical Director, etc.) <input type="checkbox"/> Allow user to specify effective dates for edit parameters				

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Need Level	2.4.6	Requirement - Claims	Base Product	Mod To Base	New Dev	Not Avail
		and specify as to whether edit is effective based on date of service or date of receipt or both <input type="checkbox"/> Allow user to associate edit with “denial reason” code that will trigger the appropriate message to the provider on the remittance advice <input type="checkbox"/> Provide report/screens of edits and edit parameters <input type="checkbox"/> Maintain audit trails of changes to edits/edit criteria				
1	.8	Basic system edits/audits must support AHCCCS benefit/coverage definitions and AHCCCS policies and include <input type="checkbox"/> Field edits (presence, format, and valid values) <input type="checkbox"/> Code validation edits <input type="checkbox"/> Checks for consistency between fields such as date of service prior to claim receipt date, detail charges equal total claim charges, and filing limitations <input type="checkbox"/> Member eligibility <input type="checkbox"/> Provider eligibility <input type="checkbox"/> Checks that provider is also “certified” to bill specific services and/or form type (UB-92, CMS 1500, etc.) <input type="checkbox"/> Duplicate and suspect/potential duplicate checks taking into account provider type/specialty and modifier codes <input type="checkbox"/> Support edits to restrict services by age gender, user-defined member flags, etc. <input type="checkbox"/> Support edits that check procedure to modifier, place of service, type of provider, provider specialty, etc. <input type="checkbox"/> Identify services requiring prior authorization and verify that authorization exists and has not been “used up” <input type="checkbox"/> Check for other coverage including Medicare based on the service and the type of coverage; for example, if service is dental service and other coverage is drug coverage, then claim should not be flagged as suspect other insurance; provide parameters for users to define what is/is not covered under different parts of Medicare (A, B, etc.) <input type="checkbox"/> Verify independent labs are certified based on their CLIA number for the services provided; maintain tables that indicate which specialties, subspecialties are required for each laboratory procedure				
1	.9	Comprehensive edits also to include <input type="checkbox"/> Checks for bundling and unbundling of services and services that should be included in a global rate such as global pregnancy fee <input type="checkbox"/> Pre and post procedure days <input type="checkbox"/> Coverage of benefits by line of business and by other user-defined fields <input type="checkbox"/> Coordination of benefits with third party payers including Medicare <input type="checkbox"/> Potential duplicates across form and provider types (e.g.				

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Need Level	2.4.6	Requirement - Claims	Base Product	Mod To Base	New Dev	Not Avail
		outpatient hospital versus DME supplier, nursing home versus home and community based care), and on related or similar procedures or services <input type="checkbox"/> Allow users to specify the fields to be included in duplicate checks including specifying when a claim is/isn't a duplicate of a previously denied claim <input type="checkbox"/> Allow for different handling of duplicates/potential duplicates when on same claim versus current claim and another pended claim versus current claim and another paid or denied claim <input type="checkbox"/> Perform audits to validate services as appropriate for diagnosis <input type="checkbox"/> Perform audits to validate services as appropriate/consistent with other services performed				
1	.10	Provide user-configurable service limitations for number of services (units/days) and/or dollar amount. <input type="checkbox"/> Allow users to configure service limitations for by service or groups of services <input type="checkbox"/> Allow users to define service limitation period (per x days, x months, calendar year, year based on enrollment anniversary, lifetime, etc.) <input type="checkbox"/> Allow for preset time periods and rolling or sliding time periods (preset = per day or per month; rolling = last 6 months; sliding = any 6 month period) <input type="checkbox"/> Provide inquiry access to status of limits (units used, units available) by member and link to specific claims that have added to each limit				
1	.11	Allow user to specify criteria for definition of "clean claim" based on passing certain edits <input type="checkbox"/> Identify clean claims <input type="checkbox"/> Capture date that claim becomes "clean" <input type="checkbox"/> Report claims cycle times based on date of receipt and based on clean claims date				
1	.12	Maintain member accumulators for deductibles, co-payments, life time limitations, out-of-pocket expenses, share of cost, etc. and validate claims against accumulators				
1	.13	Support efficient data entry of hard copy claims from paper and from images <input type="checkbox"/> Provide entry screens for all standard form types (UB-92, ADA, Drug, CMS 1500, etc.) and any custom form types <input type="checkbox"/> Utilize minimum number of screens for entry <input type="checkbox"/> Allow user to specify which edits are performed at data entry (versus later claims adjudication) <input type="checkbox"/> Allow users to override some edits at entry and to				

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Need Level	2.4.6	Requirement - Claims	Base Product	Mod To Base	New Dev	Not Avail
		specify which attachments are present <input type="checkbox"/> Allow users to deny claims or detail lines at data entry <input type="checkbox"/> Allow provider direct entry via Internet and allow user to specify which edits are performed for provider direct entry				
1	.14	Support efficient claims correction process <input type="checkbox"/> Queue claims based on edit hierarchy into various queues for resolution (e.g. eligibility errors, provider errors, pricing errors, medical policy reviews, etc.) <input type="checkbox"/> Allow users to cutback and deny dollars and units at both claim and detail level <input type="checkbox"/> Allow users to enter industry standard codes (CARCs) and/or informational EOB codes and denial/cutback reason codes at claim and detail level <input type="checkbox"/> Allow providers to correct claims via Internet – note that providers will only be able to correct fields that they entered <input type="checkbox"/> Allow providers to easily void and replace paid claims via Internet <input type="checkbox"/> Clearly display all errors that claims have failed and indicate likely fields causing errors <input type="checkbox"/> Capture claim control numbers of claim(s) involved in duplicate checks, history-related audits, and limitation edits and display in FIFO order				
1	.15	Support automatic generation of letters/emails for certain conditions such as a request for medical records				
1	.16	Support all AHCCCS pricing methodologies based on line of business, type of provider, specific provider, type of service, specific service, etc. including <input type="checkbox"/> AHCCCS inpatient tiered per diem system <input type="checkbox"/> AHCCCS outpatient prospective payment system <input type="checkbox"/> Special logic as required for out-of-state providers <input type="checkbox"/> DRGs (industry standards and payer-specific) <input type="checkbox"/> APCs <input type="checkbox"/> Medicare and AHCCCS Ambulatory Surgery Codes (ASC) rates <input type="checkbox"/> Fee schedules with indicators for cut back to fee amount and pay, pay billed up to maximum amount, or pend for manual price <input type="checkbox"/> Adjustments to fees based on modifiers <input type="checkbox"/> Special logic for pricing multiple procedures (including surgeries) for the first service versus the second, third, etc.; capability to identify the primary or major services based on RVUs, price, or other user-specified criteria <input type="checkbox"/> Contracted and negotiated rates by service and provider <input type="checkbox"/> Provider discounts or adjustments to billed based on cost-to-charge ratios				

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Need Level	2.4.6	Requirement - Claims	Base Product	Mod To Base	New Dev	Not Avail
		<input type="checkbox"/> Global rates for groups of services (emergency room visits, global pregnancy, etc.) <input type="checkbox"/> Drug pricing at AWP (from multiple sources – Red Book, First Data, etc.) or percentage of AWP plus dispensing fee, MAC (note dispensing fee can vary by provider, cost of drug, type of drug such as brand or generic); application of appropriate co-pay (tiered) based of drug or other criteria; ability to price at generic unless brand required; <input type="checkbox"/> AHCCCS methodology for pricing dialysis services as well as Medicare methodology				
1	.17	Allow users to define services/conditions that require manual pricing and then pend claims for manual pricing based on this criteria <input type="checkbox"/> Allow users to cutback or deny units/days <input type="checkbox"/> Allow users to input manual price amount <input type="checkbox"/> Allow users to specify a percent of billed to be paid or a percentage of the allowed (priced) amount				
1	.18	Support pricing logic to include the following in computing the final payments <input type="checkbox"/> Quick pay discounts <input type="checkbox"/> Slow pay penalties <input type="checkbox"/> Provider discounts <input type="checkbox"/> Deductibles <input type="checkbox"/> Co-payments <input type="checkbox"/> Share of cost <input type="checkbox"/> Other insurance payments <input type="checkbox"/> Lesser of AHCCCS allowed amount or (Medicare deductible plus co-payment amount) and other AHCCCS-specific logic for Medicare crossover claims (see Bidders' Library)				
1	.19	Recycle claims through edits/audits and pricing based on user-configurable criteria such as specific edit, range of edits, age in "location," age in system, date of submission, process date, line of business, member, provider, etc.				
1	.20	Maintain audits trails showing <input type="checkbox"/> Status history of all of the different statuses that the claims processed through – entered, pending, approved to pay/deny, paid, adjusted, refunded, voided <input type="checkbox"/> History of all the edits failed and the disposition of each – denied, cutback, cleared/corrected, overridden, etc. <input type="checkbox"/> History of all the edits applied to the claim including the date each edit was performed and status of each – pass, fail/pend, deny, test, pay and review on post payment basis, etc. <input type="checkbox"/> Corrections/field changes for all fields including before image, date/time, user ID				

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Need Level	2.4.6	Requirement - Claims	Base Product	Mod To Base	New Dev	Not Avail
1	.21	Provide for comments/free form text <ul style="list-style-type: none"> <input type="checkbox"/> Identify comments by type – general, adjudication, medical review, provider inquiries, adjustments, etc. <input type="checkbox"/> Capture date/time of comment and user ID <input type="checkbox"/> Maintain status – open, closed/completed, deleted, etc. <input type="checkbox"/> Do not allow comments to be changed after they are entered <input type="checkbox"/> Spell check comments 				
1	.22	Support automatic and manual alerts <ul style="list-style-type: none"> <input type="checkbox"/> Automatically generate alerts base on user-defined criteria such as age in “location” <input type="checkbox"/> Route alerts to various queues or users based on type of alert <input type="checkbox"/> Allow users to enter/trigger manual alerts <input type="checkbox"/> Track date/time, source, and status of each alert 				
1	.23	Process voids and adjustments and refunds <ul style="list-style-type: none"> <input type="checkbox"/> Support processing of electronic and hard copy replacement claims by voiding original and reprocessing replacement <input type="checkbox"/> Allow users to adjust claims by “correcting” the original and reprocessing it; system should change status of original to voided or replaced and cross reference the original to the new claim and vice versa <input type="checkbox"/> Allow users to void claims <input type="checkbox"/> Allow users to apply refunds to specific claims and at the provider level 				
1	.24	Provide ability to generate mass adjustments with a single transaction when rates have changed, system errors have been corrected, other reference data affecting payment has been updated, policy changes are retroactive, eligibility has been updated, etc. <ul style="list-style-type: none"> <input type="checkbox"/> System should automatically generate the necessary void and replacement claims; update the statuses and the cross references to the other claim <input type="checkbox"/> User should be able to specify various criteria for the mass adjustments including time period (date of service or date of payment ranges), type of claims (inpatient, physician, etc.) type of provider, specific provider, specific recipient, service (range of services or specific service), edit/denial reason, check number range, etc. <input type="checkbox"/> Allow for void and replace or just void and recoup <input type="checkbox"/> Allow for user to specify if certain edits are to be automatically overridden on the replacement claim <input type="checkbox"/> Allow user to specify amount of adjustment (e.g. additional amount/flat fee, % of original allowed amount or payment – negative or positive) <input type="checkbox"/> Automatically generate a note or comment and attached to the original and to the replacement claim to document 				

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Need Level	2.4.6	Requirement - Claims	Base Product	Mod To Base	New Dev	Not Avail
		the reasons for the adjustment <input type="checkbox"/> Allow user to specify the CARC and/or information EOB code that is attached to the voided claim and to the replacement claim that will generate an appropriate message on the EOB for the provider <input type="checkbox"/> Provide detail and summary reports on request to document each mass adjustment that includes the criteria for the mass adjustment, the number of claims adjusted, the dollars involved, and the specific claims adjusted (on the detail report) <input type="checkbox"/> Allow for mass adjustments of previous voids – void to be “backed out” and claim to be reprocessed and potentially repaid				
1	.25	Provide ability to re-price and/or re-edit claims <input type="checkbox"/> Allow users to specify selection criteria for claims to be included <input type="checkbox"/> Output results in detail file/spreadsheet along with summary report				
1	.26	Compute final claims payment and recoupment amounts <input type="checkbox"/> Generate payment interface file to be sent to AHCCCS Oracle financial system with necessary accounting information including calculation of state and federal share of payments and recoupments <input type="checkbox"/> Provide ability to “stage” payments based on user-specified criteria such as line of business, type of claim or form type, provider type, provider, financial or fund code, availability of funds, etc. and transmit claims to AHCCCS Oracle financial system based on staging criteria <input type="checkbox"/> Generate electronic remittance advices in industry standard format (835) for providers accepting electronic formats <input type="checkbox"/> Generate hard copy detailed remittance advices for providers not accepting electronic formats and make available on the Internet <input type="checkbox"/> Combine all payments for a provider across all lines of business into a single remittance				
1	.27	Provide for generation of letters/correspondence <input type="checkbox"/> Automatically generate letters based on certain user-specified criteria such as missing attachments, need for medical records, etc. <input type="checkbox"/> Allow for pre-define letters and paragraphs with variable (field) inserts as well as allowing for user-entered text; spell check all variable text <input type="checkbox"/> <input type="checkbox"/> Maintain complete audit trail of all correspondence generated and be able to reproduce any letter				

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Need Level	2.4.6	Requirement - Claims	Base Product	Mod To Base	New Dev	Not Avail
		<input type="checkbox"/> Allow for electronic mailing (email) of correspondence to providers				
1	.28	Provide for online inquiry of claims <ul style="list-style-type: none"> <input type="checkbox"/> Ability to inquire by specific claim, recipient, provider, etc. <input type="checkbox"/> Ability to filter queries by dates of service, receipt, payments <input type="checkbox"/> Ability to filter queries by claim type, line of business, type of service, claim status, etc. <input type="checkbox"/> Inquiry screens should show maximum of data on minimum number of screens 				
1	.29	Provide regular and ad hoc claims reporting capability <ul style="list-style-type: none"> <input type="checkbox"/> Produce statistics on number of claims paid, denied, and pended and total dollars by line of business; show totals for each type of claim and distinguish original claims versus voids versus replacement/adjustment claims <input type="checkbox"/> Produce statistics on denials and cutbacks showing number and amount of claims denied and cutback by reason code <input type="checkbox"/> Generate paid claim cash requirements report for each payment cycle <input type="checkbox"/> Produce statistics on claims pended by edit and by provider, and type of claim (hospital, physician, etc.) <input type="checkbox"/> Produce reports showing number of overridden edits by edit code and by user ID <input type="checkbox"/> Produce error analysis reports showing most frequent errors, providers with highest error rates compared to average, etc. <input type="checkbox"/> Produce inventory reports showing age of pending claims, average cycle times (receipt to final disposition for clean claims and nonclean claims) average age in location, etc. 				
1	.30	Provide variables for user-defined queries <ul style="list-style-type: none"> <input type="checkbox"/> Variables to include claim status, dates of service, dates of receipt, dates of payment, specific provider, type of provider, specific member, type of service, type of claim, specific service or range of services, specific diagnosis or range of diagnoses, EOB code(s), edit/audit code(s), line of business, etc. <input type="checkbox"/> Query to generate online report or extract file that can be downloaded 				
1	.31	The system must capture and maintain all data elements required to support Federal reporting requirements based on data from claim records are met (e.g. family planning, sterilizations, hysterectomies, pregnancies, immunizations, EPSDT).				
1	.32	Maintain and track Concurrent Reviews by automatically assigned Concurrent Review numbers				


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Need Level	2.4.6	Requirement - Claims	Base Product	Mod To Base	New Dev	Not Avail
1	.33	Maintain audit trail of all changes to Concurrent Review information with date/time stamp				
1	.34	Provide for Concurrent Review system with ability to: <ul style="list-style-type: none"> <input type="checkbox"/> Prompt by diagnosis code or procedure code to automatically refer for concurrent review <input type="checkbox"/> Monitor and track concurrent review due date 				
1	.35	Allow for ability to provide continued stay approval based on: <ul style="list-style-type: none"> <input type="checkbox"/> Line of business <input type="checkbox"/> Provider eligibility <input type="checkbox"/> Member eligibility <input type="checkbox"/> Coverage based on procedure and/or place of service <input type="checkbox"/> Service limitations <input type="checkbox"/> COB information <input type="checkbox"/> Service and setting appropriateness <input type="checkbox"/> Severity/intensity indicators/protocols 				
1	.36	Allow for documentation of discharge plan				
1	.37	Provide for: <ul style="list-style-type: none"> <input type="checkbox"/> Fields to accommodate user-defined information <input type="checkbox"/> Comment/text fields that are indexed by type, date, and user <input type="checkbox"/> Flags based on user-defined criteria <input type="checkbox"/> Concurrent Review alerts/reminders/tickers based on user-defined criteria 				
1	.38	Support on-line data entry of Concurrent Review information across lines of business				
1	.39	Maintain history of Concurrent Reviews by Member, Provider, and service type				
1	.40	Generate Concurrent Review correspondence and materials <ul style="list-style-type: none"> <input type="checkbox"/> Allow for automatically generated correspondence based on user-defined criteria <input type="checkbox"/> Allow for mailing labels to be generated on demand by Concurrent Review 				
1	.41	Generate Concurrent Review Management reports				
1	.42	System must maintain a minimum of two years of claims history that is available for online, real time access and a minimum of five years of claims history total that is available for reporting.				


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PREMIUM BILLING


Need Level	2.4.7	Requirement -Premium Billing	Base Product	Mod To Base	New Dev	Not Avail
1	.1	Provide flexible premium billing capability that includes <ul style="list-style-type: none"> <input type="checkbox"/> User-specified cycles for initial billings and follow up billings <input type="checkbox"/> User-specified criteria for lapsing eligibility on delinquent accounts <input type="checkbox"/> Ability to void payments and provide audit trails <input type="checkbox"/> Ability to transfer payments <input type="checkbox"/> Ability to generate and post manual bills 				
1	.2	Provide necessary interfaces with member/eligibility files including AHCCCS recipient system, ACE, KidsCare, and potentially HCG to obtain/maintain member premium amounts				
1	.3	Maintain detailed premium billing and payment history and provide flexible inquiry by various parameters and combination of parameters including <ul style="list-style-type: none"> <input type="checkbox"/> Member ID <input type="checkbox"/> Member name or partial name <input type="checkbox"/> Case (family unit) <input type="checkbox"/> Check number <input type="checkbox"/> Date range <input type="checkbox"/> Check amount <input type="checkbox"/> Type of payment Show billed amounts, payments, and balances by member and by family unit/case				
1	.4	Cross reference information <ul style="list-style-type: none"> <input type="checkbox"/> Provide cross references between AHCCCS ID and SSN <input type="checkbox"/> Show all members in a case or family unit <input type="checkbox"/> Show all members in a group 				
1	.5	Provide user-friendly inquiry capability <ul style="list-style-type: none"> <input type="checkbox"/> Utilize minimum number of screens to provide information to answer common questions and support most frequent kinds of research <input type="checkbox"/> Provide means to easily navigate from screen to screen providing such features as allowing user to “click” on the premium billed to see the payments that have been received or “click on the payments and see the corresponding premium that was billed 				

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1	.6	Lapse eligibility based on delinquent accounts – criteria to vary based on user-specified parameters such as benefit plan, line of business, etc. <input type="checkbox"/> Generate reports/alerts for delinquent accounts where eligibility is about to lapse <input type="checkbox"/> Generate adverse action notices to members on delinquent accounts that are about to lapse				
2	.7	Flag members (families) with outstanding account receivables and generate reports/alerts if new eligibility updates are added to the member file <input type="checkbox"/> Flag member ID of all members on case that has delinquent account receivable <input type="checkbox"/> Generate applicable adverse action notices to members 30-days prior to action <input type="checkbox"/> Generate report/alert if any member of the family/case has new eligibility added to the member file after eligibility has been terminated due to lapsed account under same or different ID number				
1	.8	Consolidate bills and notices by family unit/case				
1	.9	Post payments received from various sources including <input type="checkbox"/> Lock box transactions <input type="checkbox"/> ACH direct deposit transactions in standard NACHA format/Check free <input type="checkbox"/> Manually entered checks <input type="checkbox"/> Scanned or bar coded check entry <input type="checkbox"/> Credit/debit card transactions				
1	.10	Recognize returned payments for insufficient funds (NSF) <input type="checkbox"/> Flag account for member/family unit/case to indicate that cashier's check or money order is required for subsequent payments for a user-specified period (such as six months) <input type="checkbox"/> Post associated fees to account <input type="checkbox"/> Indicate account status on subsequent bills and requirements for cashier's checks/money order for payment <input type="checkbox"/> Provide means to re-bill				
1	.11	Reverse payments applied including those transferred to other programs				
1	.12	Calculate billing amounts <input type="checkbox"/> Accommodate prorating of bills based on beginning/ending eligibility dates <input type="checkbox"/> Add enrollment fees to bills, if applicable, based on user-specified criteria <input type="checkbox"/> Provide capability to calculate interest on late accounts <input type="checkbox"/> Consider adjustments, partial payments, overpayments, and roll forward amounts owed				
1	.13	Prorate partial payments for family units/case and post prorated amounts to each member based on a hierarchy (which may vary by line of business/company code/other criteria) of how to distribute the payment				

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1	.14	Generate detailed billings to members/family unit/case <ul style="list-style-type: none"> <input type="checkbox"/> Allow for special messages based on status of account such as “Do not send payment – automatic payment” <input type="checkbox"/> Clearly reflect partial payments or overpayments on the next bill <input type="checkbox"/> Vary format of bill/statements based on line of business/company code preferably using user-defined templates 				
1	.15	Generate reports of overpayments based on user-specified criteria such as amount of overpayment, eligibility termination, age of overpayment, etc. and allow users to refund overpayment				
1	.16	Post payments and any adjustments to the correct financial account codes/funding sources including transferred dollars to another program				
1	.17	Provide for comments/free form text <ul style="list-style-type: none"> <input type="checkbox"/> Allow user to associate comments to specific financial transactions (e.g. a refund or a lien) <input type="checkbox"/> Capture date/time of comment and user ID. <input type="checkbox"/> Do not allow comments to be changed after they are entered 				
1	.18	Support automatic and manual alerts <ul style="list-style-type: none"> <input type="checkbox"/> Automatically generate alerts base on user-defined criteria such as aged open account receivables over a certain number of days <input type="checkbox"/> Route alerts to various queues or user based on type of alert <input type="checkbox"/> Allow users to enter/trigger manual alerts <input type="checkbox"/> Track date/time, source, and status of each alert 				
1	.19	Provide summary and detailed reports including <ul style="list-style-type: none"> <input type="checkbox"/> Total billed (number of members, premium dollars, fees by type of fee) split out by line of business or company code (note add something on company codes to benefit and member management sections), other member categorizations, first or subsequent billing for each cycle, financial accounting code/funding source, etc. <input type="checkbox"/> Total payments received (number of members, premiums, fees by type of fee) split out by line of business or company code, other member categorizations, type of payment (credit card, check, ACH, etc.), financial accounting code/funding source, etc. <input type="checkbox"/> Show total billed and total received by other categorizations including FPL match level and geographic area <input type="checkbox"/> Detailed billing and payment history reports by member <input type="checkbox"/> Aged accounts receivable by line of business or other member categorization and user selection parameters <input type="checkbox"/> Cumulative statistics on monthly billings and payments and lapsed accounts split out by line of business or company code, other member categorizations, type of payment (credit card, check, ACH, etc.), financial 				

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		accounting code/funding source, etc. <input type="checkbox"/> Billing and payment trends over time including payment cycle time, average monthly billings, average monthly payments, average number of eligibility terminations due to delinquent accounts split out by line of business or company code, other member categorizations including federal poverty level or household income, financial accounting code/funding source, etc. <input type="checkbox"/> Detailed general journal entries by financial accounting code/funding source				
1	.20	Support ad hoc reporting requests				
1	.21	Provide interfaces to current systems including <input type="checkbox"/> Post account receivables and payments to Oracle financials <input type="checkbox"/> Send accounting transactions to AFIS <input type="checkbox"/> Update data warehouse with billing and payment information				

FINANCIAL


Need Level	2.4.8	Requirement -Financial	Base Product	Mod To Base	New Dev	Not Avail
1	*.1	Provide for payment, receivable, and accounting system that is highly integrated with the claims processing system <input type="checkbox"/> Payment information such as check or control number, payment date, financial coding, etc. must be posted back to the claims history <input type="checkbox"/> Generate hard copy checks or EFT transfers (in standard NACHA format) based on information on the provider/offendor files <input type="checkbox"/> Allow users to set payment cycles based on various criteria including types of claims, types of providers, specific providers, line of business, financial accounting code/funding source, etc. <input type="checkbox"/> Provide ability to consolidate payments to a single tax ID/EIN across lines of business and across multiple provider IDs <input type="checkbox"/> Provide industry standard financial and accounting controls <input type="checkbox"/> Allow users to specify separate bank accounts for payments and associate bank account with line of business or company code				
1	.2	Provide user-configurable means to specify specific financial coding structure <input type="checkbox"/> Coding structure must map to agency's chart of accounts based on effective date; coding structures may vary by line of business/company code <input type="checkbox"/> Financial codes must be applied to payments and financial transactions based on date of payment				

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Need Level	2.4.8	Requirement -Financial	Base Product	Mod To Base	New Dev	Not Avail
		<input type="checkbox"/> Payments for services may be split between financial codes/funding source <input type="checkbox"/> System must be able to track payments by funding source (state, federal, local/other, etc.)				
1	.3	Maintain information on offerors (providers and other payees) including <input type="checkbox"/> Type of payments – hard copy checks or EFT <input type="checkbox"/> Bank account numbers for offerors receiving EFT <input type="checkbox"/> Type of remittance advice – hard copy or electronic (in industry standard formats)				
1	.4	Allow for non-claims based payment to providers, other agencies, offerors, manual checks, advance payments (these should set up an account receivable), etc.				
1	.5	Provide controls for printing hard copy checks including means to account for all check numbers, cross reference internal and external check numbers, align forms, and test print options and formats				
1	.6	Provide means to “link” adjustments/additional payments to claims when payments are made separately and not via a specific claims adjustment (negotiated settlements, lump sum rate increases, TPL collections, etc.)				
1	.7	Support accounting and reporting of expenditures for multiple state and federal fiscal periods and by date of payment and by date of service				
1	.8	Provide ability for users to specify funds available by financial code/chart of accounts <input type="checkbox"/> Track payments against available funds <input type="checkbox"/> Suspend/hold payments when no funds available				
1	.9	Reflect adjustments to historical expenditures into the appropriate period; adjustments should be made to the period associated with the original date of payment				
1	.10	Provide for offsets and recoupments <input type="checkbox"/> Automatically set up account receivables based on voided claims and recoup from current and future payments <input type="checkbox"/> Allow users to void lost or stolen checks and specify whether or not check is to be reissued; update claims history accordingly <input type="checkbox"/> Update account receivables based on monies refunded and returned checks; update claims history accordingly <input type="checkbox"/> Allow users to set up offsets for settlements, liens, garnishments, etc. and track \$s by type of offset; apply payments to offsets based on a user-specified hierarchy <input type="checkbox"/> Allow users to specify whether or not future claims payments or portions of future claims payments (10%, flat dollar amount, etc.) should be applied to outstanding balances				


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Need Level	2.4.8	Requirement -Financial	Base Product	Mod To Base	New Dev	Not Avail
		<input type="checkbox"/> Allow users to put payments on “hold” for providers/offers <input type="checkbox"/> Provide ability to report all detail activity against an account receivable balance for a specific time period <input type="checkbox"/> Allow providers/offers to submit payments to offset their open account receivables <input type="checkbox"/> Allow users to specify whether receivable is across all lines of business or specific to specific lines of business/company codes <input type="checkbox"/> Allow for transferring account receivable balances to different providers/offers such as for ownership changes				
1	.11	Reconcile payments with bank recon files <input type="checkbox"/> Process cleared check file from bank and post check history accordingly <input type="checkbox"/> Automatically state date aged open checks update claims history accordingly <input type="checkbox"/> Generate reconciliation report showing all discrepancies <input type="checkbox"/> Provide means to correct discrepancies				
1	.12	Provide for comments/free form text <input type="checkbox"/> Allow user to associate comments to specific financial transactions (e.g. a refund or a lien) <input type="checkbox"/> Capture date/time of comment and user ID. <input type="checkbox"/> Do not allow comments to be changed after they are entered <input type="checkbox"/> Spell check comments				
1	.13	Support automatic and manual alerts <input type="checkbox"/> Automatically generate alerts base on user-defined criteria such as aged open account receivables over a certain number of days, single payments over a certain dollar amounts, etc. <input type="checkbox"/> Route alerts to various queues or user based on type of alert across subsystems/components (e.g. financial back to claims) <input type="checkbox"/> Allow users to enter/trigger manual alerts <input type="checkbox"/> Track date/time, source, and status of each alert				
1	.14	Provide industry standard accounting and financial controls including <input type="checkbox"/> Separate offeror information to limit access to a “need to know” <input type="checkbox"/> Control updates and provide comprehensive audit trails <input type="checkbox"/> Track all transactions and provide complete accounting and balancing reports				
3	.15	Provide capability to set up estate recoveries and track receipts				
3	.16	Provide capability to charge interest on aged accounts receivable and track and report interest payments received separately from				

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Need Level	2.4.8	Requirement -Financial	Base Product	Mod To Base	New Dev	Not Avail
		other payments received				
1	.17	Generate annual file (test file in December and final file in January) to send to Department of Administration with information for generating the 1099s, 1098s, and W2s				
2	.18	Provide capability to process HIP Payments				
1	.19	Generate credit balance reports <ul style="list-style-type: none"> <input type="checkbox"/> Base on user-specified criteria such as amount outstanding and age of account receivable <input type="checkbox"/> Produce initial and final bills to provider/offeror using user-defined templates for outstanding account receivables 				
1	.20	Provide comprehensive financial and accounting reports that support all AHCCCS and federal reporting requirements including <ul style="list-style-type: none"> <input type="checkbox"/> Payment register for each bank account with capability to split out by financial chart of account codes, funding source, line of business, provider type, provider/offeror, hard copy vs. EFT, etc. <input type="checkbox"/> Provide summary information required for drawing down state and federal funds <input type="checkbox"/> Track expenditures by accounting period as well as other user-specified periods such as contract period showing original expenditures (payments, voids, adjustments, recoupments, refunds, etc.) in each period as well as showing the period to which the void/adjustment/recoupment/refund applies <input type="checkbox"/> Open account receivables with capability to select and sort by age, amount, line of business, provider, type of provider, type of receivable, etc. <input type="checkbox"/> Expenditure information for generation of CMS-64 reports 				
1	.21	Produce summary general journal and detailed transaction reports based on user-specified criteria including financial accounts/funding sources, types of transactions (payments, voids, etc.), date(s) of payment, line of business or company codes, etc.				
1	.22	Provide capability to generate ad hoc reports and file extracts base on flexible selection parameters (and combination of parameters) including <ul style="list-style-type: none"> <input type="checkbox"/> Date(s) of payment, process date(s) <input type="checkbox"/> Check/invoice numbers <input type="checkbox"/> Member IDs <input type="checkbox"/> Provider/offeror IDs or tax IDs/EINs/NPI <input type="checkbox"/> Types of transactions such as open account receivables, payments, refunds, voids, etc 				

ENCOUNTERS


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After the claims system is functioning, AHCCCS may opt to add encounter processing to the system. AHCCCS receives encounters from all its health plans/program contractors. The encounter system will have to allow the users maximum flexibility and control to determine which edits are to be used in specific circumstances. It will also need to provide reports to show whether health plans/program contractors correct or override errors. The system must capture and maintain any and all data elements required to support Federal reporting requirements.


Need Level	2.4.9	Requirement - Encounters	Base Product	Mod To Base	New Dev	Not Avail
1	.1	Provide comprehensive and flexible system for processing encounters that mirrors claims processing				
1	.2	Accept electronic and hard copy encounters <ul style="list-style-type: none"> ❑ Support current and future versions of standard HIPAA electronic formats for claims (837 transaction and NCPDP), code sets, and electronic attachments including capability to process replacement encounters; allow unlimited number of encounters per submission ❑ Accept encounters from AHCCCS' front end validation process ❑ Provide means for data entry of encounters by AHCCCS, health plans and other agencies (note that hard copy entry is the exception) ❑ Support some capture and processing of some AHCCCS-specific fields such as the sub capitation code 				
1	.3	Support up to 999 lines per claim/encounter throughout the system and process all lines together as a "document" throughout the system				
1	.4	Provide input controls and reports that account for all transactions				
1	.5	Provide flexible and efficient encounter processing schedule that allows for encounters to be processed daily throughout the month and can support AHCCCS volumes in reasonable windows				
1	.6	Provide same comprehensive and flexible set of system edits for encounters as are available for claims with configurable parameters and other criteria <ul style="list-style-type: none"> ❑ Allow user to set edit disposition on edits to "turn on" or "off" for encounters ❑ Provide ability to set edit to accept encounter or reject encounter back to health plan/agency ❑ Provide ability to set edits to "soft" and notify health plan/agency ❑ Provide ability for health plans/other agencies to "override" certain edits ❑ Provide some encounter-specific edits such as checking the reasonableness of the health plan paid amount 				

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1	.7	Support encounter correction process <ul style="list-style-type: none"> <input type="checkbox"/> Health plans/program contractors must be able to access their “pending” encounters via the Internet <input type="checkbox"/> Provide reports of current pending inventory showing new receipts and total pending by age by health plan/program contractor <input type="checkbox"/> Provide reports to show whether health plans/program contractors correct or override errors 				
1	8	Support all AHCCCS pricing methodologies for encounters based on line of business, type of provider, specific provider, type of service, specific service, etc. and compute “value” of each encounter; provide means to default “values” on services that would normally require manual pricing				
1	.9	Maintain detailed audits trails showing similar to the audit trails maintained for claims				
1	.10	Provide for comments/free form text <ul style="list-style-type: none"> <input type="checkbox"/> Identify comments by type – general, adjudication, medical review, provider inquiries, adjustments, etc. <input type="checkbox"/> Capture date/time of comment and user ID <input type="checkbox"/> Maintain status – open, closed/completed, deleted, etc. <input type="checkbox"/> Do not allow comments to be changed after they are entered <input type="checkbox"/> Spell check comments 				
1	.11	Support automatic and manual alerts <ul style="list-style-type: none"> <input type="checkbox"/> Automatically generate alerts base on user-defined criteria such as age in “location” <input type="checkbox"/> Route alerts to various queues or users based on type of alert <input type="checkbox"/> Allow users to enter/trigger manual alerts <input type="checkbox"/> Track date/time, source, and status of each alert 				
1	.12	Process voids and replacement encounters				
1	.13	Provide for online inquiry of encounters <ul style="list-style-type: none"> <input type="checkbox"/> Ability to inquire by specific claim/encounter, recipient, health plan/other agency, provider, etc. <input type="checkbox"/> Ability to filter queries by dates of service, receipt <input type="checkbox"/> Ability to filter queries by claim type, line of business, type of service, claim status, etc. <input type="checkbox"/> Inquiry screens should show maximum of data on minimum number of screens 				
1	.14	Provide regular and ad hoc encounter reporting capability <ul style="list-style-type: none"> <input type="checkbox"/> Produce statistics on number of encounters accepted and rejected and show total dollars by line of business and by health plan/other agency; show totals for each type of encounter and distinguish original claims/encounters versus voids versus replacement/adjustment claims/encounters 				

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		<input type="checkbox"/> Produce statistics on rejects showing number and amount of encounters rejected by reason code, claim/encounter type, and by health plan/other agency <input type="checkbox"/> Produce reports showing number of overridden edits by edit code and by health plan/other agency <input type="checkbox"/> Produce statistical reports showing current and historical encounter submission rates with number of encounters, total dollars, and number/dollars accepted/rejected by health plan/other agency				
1	.15	Provide variables for user-defined queries <input type="checkbox"/> Variables to include claim/encounter status, dates of service, dates of receipt, specific health plan, specific provider, type of provider, specific member, type of service, type of claim, specific service or range of services, specific diagnosis or range of diagnoses, EOB code(s), edit/audit code(s), line of business, etc. <input type="checkbox"/> Query to generate online report or extract file that can be downloaded				
1	.16	The system must capture and maintain all data elements required to support Federal reporting requirements based on data from claim records are met (e.g. family planning, sterilizations, hysterectomies, pregnancies, immunizations, EPSDT).				
1	.17	System must maintain a minimum of two years of encounter history that is available for online, real time access and a minimum of five years of claims history total that is available for reporting.				
1	.18	Provide processes to back out and reprocess encounters				

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KNOW ALL MEN BY THESE PRESENTS:

THAT _____

(hereinafter called Principal), as Principal, and _____

_____, a corporation organized and existing under the laws of the

State of _____ with its principal office in the City

of _____

(hereinafter called the Surety), as Surety, are held and firmly bound unto the State of Arizona, (hereinafter called the Obligee) in the

amount of _____ (Dollars) (\$ _____), for the

payment whereof, the said Principal and Surety bind themselves and their heirs, administrators, executors, successor assigns, jointly and

severally firmly by these presents.

WHEREAS, the Principal has entered into a certain written contract with the Obligee, dated the _____

day of _____, 19_____ for the material, service or construction

described as _____

which contract is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the said Principal shall faithfully perform and fulfill all the

undertakings, covenants, terms, conditions and agreements of said contract during the original term of said contract and any extension thereof, with or

without notice to the Surety and during the life of any guaranty required under the contract, and shall also perform and fulfill all the undertakings, covenants,

terms, conditions, and agreements of any and all duly authorized modifications of said contract that may hereafter be made, notice of which modifications to

the Surety being hereby waived; then the above obligations shall be void, otherwise to remain in full force and effect.

The prevailing party in a suit on this bond shall recover as part of his judgment such reasonable attorneys' fees as may be fixed by a judge of the

Court.

Witness our hands this _____ day of _____, 19_____


Principal Seal

By _____

Surety Seal

By _____

Agency of Record

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ESCROW AGREEMENT


Between _____ (Contractor)

And


Attorney _____ (“Escrow Agent”)
On Behalf of the AHCCCSA

This Escrow Agreement is entered into by and among Contractor, and Attorney _____, the later as Escrow Agent, on behalf of the AHCCCSA.

1. Contractor agrees to deliver the complete source code for any Operating System and program enhancements in use to the Escrow Agent within 30 days of the system go live.
2. Thereafter, copies of the current source code and database will be delivered by Contractor to the Escrow Agent every _____ months on CD or similar medium.
3. The Escrow Agent will confirm receipt of such materials with seven (7) business days by email or letter to both the AHCCCSA and Contractor.
4. The costs of preparing and delivering the Escrowed Material to the Escrow Agent will be borne by Contractor
5. The Escrow Agent may obtain the Escrowed Material and deliver it to the AHCCCSA only if Contractor is deemed to be in default. A default by Contractor shall be deemed to have occurred under this Escrow Agreement upon the occurrence of any of the following:
 - a) Contractor has availed itself of a proceeding in bankruptcy in which Contractor is a named debtor; or
 - b) A receiver has been appointed for Contractor; or
 - c) Contractor has availed itself o any other proceeding involving insolvency or the protection of, or from, creditors, and the same has not been discharged or terminated without any prejudice with sixty (60) days.
6. This Escrow Agreement shall terminate once copies of the source code are distributed to the AHCCCSA, and in any case after one year from the date of default.
7. The Escrow Agent agrees to perform such duties and only such duties as are specifically set forth in this Escrow Agreement, and no implied covenants or obligations shall be read into this Escrow Agreement against Escrow Agent.

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8. In the absence of gross negligence or willful misconduct on its part, Escrow Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to Escrow Agent. Escrow Agent may act upon any instrument, certificate, opinion or other writing believed by it without gross negligence to be genuine, and shall not be liable in connection with the performance by it of its duties pursuant to the provisions of the Escrow Agreement, except for its own gross negligence or willful misconduct. Escrow Agent may consult with counsel of its own choice and shall have full and complete authorization and protection for any action taken, suffered or omitted by it hereunder in good faith and in accordance with the opinion of such counsel. Escrow Agent may execute powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys.
- a) Escrow Agent shall maintain copies of the course code in a manner that will maintain it safely during the period of time this Agreement and its execution remain in effect. The Escrow Agent, however, does not insure that the Escrowed Material will not be harmed due to inappropriate temperature and humidity, fire, loss, acts of God, or other acts of commission or omission, and the Escrow Agent is not required to take any unusual precautions to control the environment in which the Escrowed Material will be stored.
 - b) Control over access to the Escrowed Material shall remain entirely with the Escrow Agent.
 - c) The Escrow Agent shall make delivery of the Escrowed Material to the appropriate individual at the AHCCCSA in accordance with the provisions of this Escrow Agreement.
 - d) Except as provided in the Escrow Agreement, Escrow Agent agrees that it shall not disclose or otherwise make available to any third party, or make any use of the Escrowed Materials without Contractor's prior written consent.
 - e) Except as provided in Resignation of the Escrow Agent, herein, the Escrow Agent shall have the written consent of Contractor to terminate or assign its responsibilities as Escrow Agent.
9. On default, the right to and interest in the Escrowed Material by the AHCCCSA shall be as Licensee only and the AHCCCSA shall use the Escrowed Material solely for internal maintenance of the Software Programs.
10. The Escrow Agent shall be entitled to compensation from fees paid by Contractor for its services as agreed to on an annual basis, for all costs and expenses related to the discharge of this Agreement, including reasonable attorney's fees should they be incurred.
11. The Escrow Agent shall not, by reason of its execution of this Escrow Agreement, assume any responsibility or liability for any transactions between Contractor and the AHCCCSA other than for the performance of Escrow Agent's obligations with respect to the Escrowed Material held by it in accordance with this Escrow Agreement. Contractor hereby indemnifies and holds harmless the Escrow Agent from and against, any and all loss, liability, cost, damage and expense, including, without limitation, reasonable counsel fees, which the Escrow Agent may suffer or incur by reason of any action, claim or proceeding brought against the Escrow Agent arising out of or relating in any way to this Escrow Agreement or any transaction to which this Escrow Agreement relates unless such action, claim or proceeding is the result of the willful misconduct of the Escrow

	Attachment E – Escrow Agreement		AHCCCSA 701 E Jefferson St Phoenix, AZ 85034
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Agent. The Escrow Agent may consult counsel of its own choice with respect to any question arising under this Escrow Agreement and the Escrow Agent shall not be liable for any action taken or omitted in good faith upon advice of such counsel.

12. The Escrow Agent may resign upon thirty (30) days advance notice to Contractor and the AHCCCSA.
13. If any dispute arises out of this Agreement, the issue will be resolved by mediation, and if not successful, by arbitration, through providers of such services acceptable to the parties of the dispute.
14. This Agreement may be modified by written consent of the Escrow Agent, _____ the AHCCCSA and Contractor.
15. This Agreement constitutes the entire Agreement between Contractor and _____, the Escrow Agent on behalf of AHCCCSA.
16. If any section is deemed unenforceable though an appropriate jurisdiction, the other provisions remain in effect.

Agreed to by:

Contractor


Date

Escrow Agent

Date

On Behalf of the AHCCCSA

Date

	Attachment F – Certificate of Insurance		AHCCCSA 701 E Jefferson St Phoenix, AZ 85034
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Prior to commencing services under this contract, Contractor must furnish the state certification from insurer(s) for coverages in the minimum amounts as stated below. The coverages shall be maintained in full force and effect during the term of this contract and shall not serve to limit any liabilities or any other contractor obligations.

Name and Address of Insurance Agency:	Company Letter:	Companies Affording Coverage:
	A	
	B	
Name and Address of Insured:	C	
	D	

LIMITS OF LIABILITY MINIMUM - EACH OCCURRENCE		COMPANY LETTER	TYPE OF INSURANCE	POLICY NUMBER	DATE POLICY EXPIRES
Bodily Injury Per Person Each Occurrence Property Damage OR Bodily Injury and Property Damage Combined			Comprehensive General Liability Form Premises Operations Contractual Independent Contractors Products/Completed Operations Hazard		
			Personal Injury Broad Form Property Damage Explosion & Collapse (If Applicable) Underground Hazard (If Applicable)		
Same as Above			Comprehensive Auto Liability Including Non-Owned (If Applicable)		
Necessary if underlying is not above minimum			Umbrella Liability		
Statutory Limits			Workmen's Compensation and Employer's Liability		
			Other		


State of Arizona and the Department named above are added as additional insured as required by statute, contract, purchase order, or otherwise requested. It is agreed that any insurance available to the named insured shall be primary of other sources that may be available.

It is further agreed that no policy shall expire, be canceled or materially changed to affect the coverage available to the state without thirty (30) days written notice to the State. This Certificate is not valid unless countersigned by an authorized representative of the insurance company.

Name and Address of Certificate Holder:

Date Issued: _____

Authorized Representative

	Attachment G - Offeror's Checklist		AHCCCSA 701 E Jefferson St Phoenix, AZ 85034
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Note to Prospective Offerors: This Exhibit has been added to this SOLICITATION as a convenience to offerors when compiling their proposal. It is not a complete listing of all submission requirements, and if a requirement is stated anywhere in the SOLICITATION text, the offeror is required to submit what is required

Page in proposal	Description:	RFP Section
	<i>Proposal consists of the following:</i>	
	All required certifications, including the Offer and Acceptance form on page 3	Special Instructions to Offerors Paragraph 6
	Transmittal Letter	Special Instructions to Offerors Paragraph 7.1
	Executive Summary	Special Instructions to Offerors Paragraph 7.2
	Financial and Other Required Information	Special Instructions to Offerors Paragraph 7.3
	Financial Information	Special Instructions to Offerors Paragraph 7.3.1
	Organizational background information	Special Instructions to Offerors Paragraph 7.3.3
	Qualifications and Experience	Special Instructions to Offerors Paragraph 7.4
	Organization and Staffing	Special Instructions to Offerors Paragraph 7.5
	System Features and Functions	Special Instructions to Offerors Paragraph 7.6
	Requirement Matrix	Special Instructions to Offerors Paragraph 7.7
	Requirement Descriptions	Special Instructions to Offerors Paragraph 7.8
	Project Work Plan and Schedule	Special Instructions to Offerors Paragraph 7.9
	Project Management Approach	Special Instructions to Offerors Paragraph 7.10
	Special Instructions to Offerors Paragraph 7.5.2 form	Attachment A
	Pricing	Attachment B
	Provision of Requirements	Attachment C
	Performance Bond	Attachment D
	Escrow Agreement	Attachment E
	Insurance	Attachment F
	Check List	Attachment G